ANTENGENE

德琪醫藥有限公司
Antengene Corporation Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 6996

INTERIM REPORT
2023

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Jay Mei *(Chairman and Chief Executive Officer)*
Mr. John F. Chin *(Chief Business Officer)*
Mr. Donald Andrew Lung *(Chief Financial Officer)*

Non-executive Directors

Dr. Kan Chen
Mr. Yilun Liu (resigned on April 14, 2023)

Independent Non-executive Directors

Ms. Jing Qian
Mr. Sheng Tang
Dr. Rafael Fonseca (appointed on April 14, 2023)
Mr. Mark J. Alles (resigned on April 14, 2023)

AUDIT COMMITTEE

Mr. Sheng Tang *(Chairman)*
Dr. Rafael Fonseca
Ms. Jing Qian

REMUNERATION COMMITTEE

Ms. Jing Qian *(Chairwoman)*
Dr. Jay Mei
Mr. Sheng Tang

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Dr. Jay Mei *(Chairman)*
Dr. Rafael Fonseca
Ms. Jing Qian

SCIENTIFIC COMMITTEE (Established on April 14, 2023)

Dr. Rafael Fonseca *(Chairman)*
Dr. Jay Mei
Dr. Kan Chen

AUTHORIZED REPRESENTATIVES

Dr. Jay Mei
Mr. Donald Andrew Lung

JOINT COMPANY SECRETARIES

Mr. Yang Cao
Mr. Wai Chiu Wong

REGISTERED OFFICE

The offices of Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEAD OFFICES AND PRINCIPAL PLACES OF BUSINESS IN CHINA

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1065 West Zhongshan Road
Changning District
Shanghai
PRC

Building 10, Life Science Industrial Park
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Lihai Town, Binhai New City
Shaoxing, Zhejiang Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room No. 901, 9th Floor, Nan Fung Tower
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173 Des Voeux Road Central
Hong Kong

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG SHARE REGISTRAR

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Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

HONG KONG LEGAL ADVISER

Davis Polk & Wardwell
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Hong Kong

COMPLIANCE ADVISOR

Rainbow Capital (HK) Limited
Room 5B, 12/F, Tung Ning Building
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Sheung Wan
Hong Kong

PRINCIPAL BANKERS

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No.161, Lu Jia Zui Dong Rd
Pudong New District, Shanghai
PRC

Citibank N.A., Hong Kong Branch
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Central
Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

STOCK CODE

6996

COMPANY WEBSITES

www.antengene.com
www.antengene.cn

KEY DATE

Date of Listing
November 20, 2020

FINANCIAL HIGHLIGHTS

A summary of the results of Antengene Corporation Limited (the "**Company**" or "**Antengene**", together with its subsidiaries, the "**Group**", "**we**" or "**us**") for the unaudited condensed consolidated results of the Group for the six months ended June 30, 2023 (the "**Reporting Period**"), together with comparative figures for the six months ended June 30, 2022, is set out below:

	For the six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	Unaudited	Unaudited
Revenue	**72,016**	53,956
Other income and gains	**121,073**	167,820
Research and development costs	**(226,093)**	(179,407)
Selling and distribution expenses	**(88,246)**	(90,377)
—*Milestone payments related to commercialization*	***(21,286)***	–
Administrative expenses	**(83,756)**	(85,878)
Loss for the period	**(218,694)**	(144,451)
Adjusted loss for the period*	**(189,437)**	(126,259)
Adjusted loss for the period excluding net foreign exchange gain	**(281,690)**	(270,659)

* Adjusted loss for the period is not defined under the IFRS, it represents the loss for the period excluding the effect brought by equity-settled share-based payment expense.

IFRS MEASURES:

Our revenue increased by RMB18.0 million from RMB54.0 million for the six months ended June 30, 2022 to RMB72.0 million for the six months ended June 30, 2023, primarily attributable to the increased sales revenue of XPOVIO® (selinexor).

Our other income and gains decreased by RMB46.7 million from RMB167.8 million for the six months ended June 30, 2022 to RMB121.1 million for the six months ended June 30, 2023, primarily attributable to the decreased net foreign exchange gain.

FINANCIAL HIGHLIGHTS

Our research and development costs increased by RMB46.7 million from RMB179.4 million for the six months ended June 30, 2022 to RMB226.1 million for the six months ended June 30, 2023, primarily attributable to our increased licensing fees and R&D employee costs.

Our selling and distribution expenses decreased by RMB2.2 million from RMB90.4 million for the six months ended June 30, 2022 to RMB88.2 million for the six months ended June 30, 2023, primarily attributable to the decreased selling and distribution expenses in Greater China market, partially offset by the increased milestone payments related to commercialization.

Our administrative expenses decreased by RMB2.1 million from RMB85.9 million for the six months ended June 30, 2022 to RMB83.8 million for the six months ended June 30, 2023, primarily attributable to the decreased professional fees.

As a result of the foregoing, the loss for the period increased by RMB74.2 million from RMB144.5 million for the six months ended June 30, 2022 to RMB218.7 million for the six months ended June 30, 2023.

NON-IFRS MEASURES:

Loss for the period excluding the effect brought by equity-settled share-based payment expense increased by RMB63.1 million from RMB126.3 million for the six months ended June 30, 2022 to RMB189.4 million for the six months ended June 30, 2023, primarily due to our increased research and development costs and the decreased net foreign exchange gain, partially offset by our increased revenue.

BUSINESS HIGHLIGHTS

During the six months ended June 30, 2023, and as at the date of this report, significant advancement has been made with respect to our product pipeline and business operations:

COMMERCIALIZED ASSET:

- Selinexor (ATG-010, XPOVIO®, Greater China brand name "希維奧®", first-in-class XPO1 inhibitor)
  - In May 2023, we submitted New Drug Applications (NDAs) for XPOVIO® (selinexor) to the Indonesia National Agency of Drug and Food Control (BPOM) for the treatment of relapsed/refractory multiple myeloma (rrMM) and relapsed/refractory diffuse large B-cell lymphoma (rrDLBCL).
  - In June 2023, XPOVIO® (selinexor) in combination with bortezomib and dexamethasone (XVd) was listed on the Pharmaceutical Benefits Scheme (PBS) in Australia for the treatment of adult patients with rrMM who have received at least one prior therapy.
  - In July 2023, we received NDA approval from the Department of Health, the Government of the Hong Kong Special Administrative Region (HKSAR) for XPOVIO® (selinexor), in combination with dexamethasone (Xd), for the treatment of adult patients with rrMM who have received at least four prior therapies and whose disease is refractory to at least two proteasome inhibitors (PIs), two immunomodulatory agents (IMiDs), an anti-CD38 monoclonal antibody, and who have demonstrated disease progression on the last therapy.

LATE-STAGE ASSET:

- Onatasertib (ATG-008, mTORC1/2 inhibitor)
  - In May 2023, we announced the latest results from the Phase I/II TORCH-2 study. The results were subsequently presented as a poster at the 2023 American Society for Clinical Oncology Annual Meeting (ASCO 2023). The abstract was also presented in a Poster Discussion session at ASCO 2023.

OTHER CLINICAL STAGE ASSETS:

- Eltanexor (ATG-016, second generation XPO1 inhibitor)

  The Phase II open-label study of ATG-016 in patients with high-risk myelodysplastic syndromes is ongoing in mainland China.

- Tizaterkib (ATG-017, ERK1/2 inhibitor)

  The Phase I trial of ATG-017 in combination with nivolumab in patients with advanced solid tumors and as monotherapy and in combination with nivolumab for the treatment of advanced solid tumors and hematological malignancies (the "**ERASER trial**") are ongoing in the United States and Australia, respectively.

BUSINESS HIGHLIGHTS

- ATG-101 (PD-L1/4-1BB bispecific antibody)

  The Phase I trial of ATG-101, a novel PD-L1/4-1BB bispecific antibody, for the treatment of advanced/metastatic solid tumors and B-cell non-Hodgkin lymphoma (B-NHL) (the "**PROBE-CN trial**" and the "**PROBE trial**") are ongoing in mainland China, Australia, and the United States, respectively.

- ATG-037 (CD73 inhibitor)

  The Phase I trial of ATG-037 for the treatment of locally advanced or metastatic solid tumors (the "**STAMINA Trial**") is ongoing in mainland China and the United States.

- ATG-018 (ATR inhibitor)

  The Phase I trial of ATG-18 in patients with advanced solid tumors and hematologic malignancies (the "**ATRIUM trial**") is ongoing in Australia.

- ATG-022 (Claudin 18.2 antibody-drug conjugate)

  In January 2023, after the filing of the first clinical trial of ATG-022 in patients with advanced or metastatic solid tumors (the "**CLINCH Trial**") was approved by the Bellberry Human Research Ethics Committee ("**HREC**") in Sydney, we received the Clinical Trial Notification from the Therapeutic Goods Administration of Australia.

  In March 2023, we received IND clearance from the China National Medical Products Administration (the "**NMPA**") for the Phase I study of the CLINCH trial.

  In March 2023, we dosed the first patient in the CLINCH trial in Australia.

  In May 2023, ATG-022 has been granted two Orphan Drug Designations (ODDs) consecutively by the U.S. Food and Drug Administration (FDA) for the treatment of gastric cancer and pancreatic cancer.

  In May 2023, we dosed the first patient in the CLINCH trial in mainland China.

- ATG-031 (anti-CD24 monoclonal antibody)

  In May 2023, we received IND clearance from the U.S. FDA to initiate a Phase I trial of ATG-031 in patients with advanced solid tumors or B-NHL.

BUSINESS HIGHLIGHTS

PRE-CLINICAL STAGE ASSETS:

We made steady progress in our pre-clinical pipeline assets – ATG-027 (B7H3/PD-L1 bispecific antibody), ATG-032 (LILRB antibody) and ATG-041 (Axl-Mer inhibitor).

BUSINESS DEVELOPMENT AND OTHER KEY ACTIVITIES:

- Leveraging our combinatory and complementary R&D strategy and through our strong R&D capabilities and strategic approach in developing novel therapies, we continue to realize our vision of treating patients beyond borders and improving their lives in discovering, developing and commercializing global first-in-class, only-in-class and/or best-in-class therapies.

- In January 2023, we have reached an assignment agreement (the "**Assignment Agreement**") with Calithera Biosciences, Inc. ("**Calithera**") to acquire all of the outstanding rights of ATG-037. Antengene and Calithera entered into a worldwide exclusive license agreement to develop and commercialize ATG-037 in May 2021. Under the terms of the license agreement, Calithera received an initial upfront payment and was eligible to receive payments on potential development, regulatory and sales milestones, and tiered royalties on sales of the licensed product within the range of single to low double-digits. Pursuant to the Assignment Agreement, Antengene is no longer obligated to pay any future milestones and royalty to Calithera, and Antengene will also acquire ownership of all patents and patent applications relating to ATG-037.

MANAGEMENT DISCUSSION AND ANALYSIS

OUR VISION

Our vision is to treat patients beyond borders and improve their lives by discovering, developing and commercializing global first-in-class, only-in-class and/or best-in-class therapies.

OVERVIEW

Started operations in 2017, we are a commercial-stage Asia-Pacific ("**APAC**") biopharmaceutical company focused on innovative oncology medicines. We distinguish ourselves through our strong R&D capabilities and strategic approach to developing novel oncology therapies.

We have strategically designed and built a highly selective pipeline of 9 clinical stage assets focused on oncology, including 3 with APAC rights and 6 with global rights. We employ a combinatory and complementary R&D strategy to maximise the potential of our pipeline assets which are synergistic to each other. We have obtained NDA approvals of XPOVIO® (selinexor) in mainland China, Australia, South Korea, Singapore, Hong Kong, China and Taiwan, China. We subsequently submitted NDAs for XPOVIO® (selinexor) to the Pharmaceutical Administration Bureau of Macau, China, Malaysian National Pharmaceutical Regulatory Agency, Thai Food and Drug Authority and BPOM for the treatment of rrMM and rrDLBCL.

Product Pipeline

We have a pipeline of 9 clinical stage drug candidates that focus on oncology. The following table summarizes our pipeline and the development status. Each candidate in the regions noted in the chart below in the "Antengene Rights" column:

Assets	Target (Modality)	Indication	Pre-clinical / Phase I / Phase II / Phase III/Pivotal / NDA / Commercialization	Antengene Rights	Partner
ATG-010 (Selinexor) [1,2]	XPO1 (Small molecule)	R/R Multiple Myeloma	Combo with dexamethasone *(MARCH)* — *Mainland China NDA approved*	APAC[2]	Karyopharm Therapeutics
			Combo with dexamethasone *(STORM) – Partner's Pivotal Trial in the US* — *US, EU, SK, SG, AU, TW & HK NDA approved*		
			Combo with bortezomib and dexamethasone *(BENCH)* ★		
			Combo with bortezomib and dexamethasone *(BOSTON) – Partner's Pivotal Trial in the US* — *US, EU, SG, AU & TW sNDA approved*		
			Combo with IMID/PI/CD38 mAb and dexamethasone *(STOMP)*		
		R/R Diffuse Large B-cell Lymphoma	Monotherapy *(SEARCH)* ★		
			Monotherapy *(SADAL) – Partner's Pivotal Trial in the US* — *US , SG, SK & TW sNDA approved*		
			Combo with R-GDP *(DLBCL-030)* ★		
		Myelofibrosis	Combo with ruxolitinib *(MF-034)** ★		
		R/R NHL	Combo with lenalidomide + rituximab *(SWATCH)*		
		R/R T-cell & NK-cell Lymphoma	Combo with ICE/GemOx/tislelizumab *(TOUCH)* with BeiGene		
		Maintenance Therapy for Endometrial Cancer	Monotherapy *(SIENDO)*		
			Monotherapy *(EC-042) – Partner's Pivotal Trial in the US* ★		
ATG-016[2] (Eltanexor)	XPO1 (Small molecule)	R/R MDS	Monotherapy *(HATCH)*		
ATG-008 (Onatasertib)[3]	mTORC1/2 (Small molecule)	Cervical Cancer and Other Advanced Solid Tumors	*Combo with toripalimab (TORCH-2)*** with 君实生物 TopAlliance	APAC[3]	Celgene, Bristol Myers Squibb Company
ATG-017 (Tizaterkib)[4]	ERK1/2 (Small molecule)	R/R Hem/Onc	Monotherapy ± nivolumab *(ERASER)* with Bristol Myers Squibb	Global	ANTENGENE
ATG-101[5]	PD-L1/4-1BB (Bispecific)	Hem/Onc	Monotherapy *(PROBE & PROBE-CN)*		
ATG-037[6]	CD73 (Small molecule)	Hem/Onc	Monotherapy ± pembrolizumab *(STAMINA)* with MERCK		
ATG-018	ATR (Small molecule)	Hem/Onc	Monotherapy *(ATRIUM)*		
ATG-022	Claudin 18.2 (ADC)	Onc	Monotherapy *(CLINCH)*		
ATG-031	CD24 (mAb)	Hem/Onc	Monotherapy *(PERFORM)*		

Antengene Trials[7] | Partner Trials[8] | Global Trials in Collaboration with Partner | ★ Registrational Trial

[1] (s)NDA approved by US FDA, China NMPA, Australia TGA, South Korea MFDS, Singapore HSA, China Hong Kong DoH and China Taiwan TFDA;
[2] Licensed from Karyopharm and Antengene has rights for Greater China (Mainland China, Hong Kong, Taiwan, Macau), Australia, New Zealand, South Korea, and the ASEAN Countries;
[3] Licensed from Celgene (BMS) and Antengene has rights for Greater China, South Korea, Singapore, Malaysia, Indonesia, Vietnam, Laos, Cambodia, the Philippines, Thailand and Mongolia;
[4] Licensed from AstraZeneca and Antengene has obtained exclusive global rights to develop, commercialize and manufacture ATG-017;
[5] Licensed from Origincell and Antengene has obtained exclusive global rights to develop, commercialize and manufacture ATG-101;
[6] Licensed from Calithera Biosciences and Antengene has obtained exclusive global rights to develop, commercialize and manufacture ATG-037
[7] Most advanced trial status in Antengene territories and the trials are responsible by Antengene
[8] Most advanced trial status in partner territories in the rest of the world and the trials are conducted by our licensing partners

* Antengene has plans to co-sponsor the MF-034 trial but the company has not yet obtained IND clearance in the Mainland of China
** Investigator-initiated trial;
R/R: relapsed/refractory; ND: newly diagnosed; MDS: myelodysplastic syndrome; CRC: colorectal cancer; PrC: prostate cancer; CAEBV: chronic active Epstein-Barr virus; NHL: non-Hodgkin lymphoma; Hem/Onc hematological malignancies and solid tumors; R-GDP: Rituximab, Gemcitabine, Dexamethasone & Cisplatin;

AU: Australia; EU: Europe; SG: Singapore; SK: South Korea; TW: Taiwan; US: United States;

BUSINESS REVIEW

We have made steady progress with regard to our pipeline assets in the first half of 2023. We have submitted NDA application for XPOVIO® (selinexor) in Indonesia in May 2023. In July 2023, we received NDA approval for the treatment of rrMM and submitted the supplemental new drug application ("**sNDA**") for XPOVIO® (selinexor) in combination with bortezomib and dexamethasone (XVd) for the treatment of rrMM and DLBCL in Hong Kong, China.

Commercial-stage Product

Selinexor (ATG-010, XPOVIO®, Greater China brand name "希維奧®", first-in-class XPO1 inhibitor)

XPOVIO® (selinexor), our first commercial-stage product, orally available selective inhibitor of nuclear export (SINE) compound being developed for the treatment of various hematological malignancies and solid tumors. We obtained exclusive rights from Karyopharm Therapeutics Inc. ("**Karyopharm**") for the development and commercialization of XPOVIO® (selinexor) in mainland China, Hong Kong, China, Taiwan, China, Macau, China, South Korea, Australia, New Zealand and ASEAN countries.

Our licensing partner, Karyopharm, obtained approval through the U.S. FDA's Accelerated Approval Program on July 3, 2019 for XPOVIO® (selinexor) in combination with low-dose dexamethasone for the treatment of adult patients with rrMM who have received at least four prior therapies and whose disease is refractory to at least two proteasome inhibitors, at least two IMiDs and an anti-CD38 mAb.

On June 22, 2020, XPOVIO® (selinexor) received accelerated approval from the U.S. FDA for the treatment of adult patients with rrDLBCL, not otherwise specified, including DLBCL arising from follicular lymphoma, after at least two lines of systemic therapy. On December 18, 2020, the U.S. FDA approved XPOVIO® (selinexor) in combination with bortezomib and dexamethasone for the treatment of adult patients with multiple myeloma who have received at least one prior therapy.

In July 2021, through a priority review process, the MFDS of South Korea approved the Company's NDA for XPOVIO® (selinexor) in combination with dexamethasone for the treatment of adult patients with relapsed or refractory multiple myeloma who have received at least four prior therapies and whose disease is refractory to at least two proteasome inhibitors, at least two immunomodulatory agents, and an anti-CD38 monoclonal antibody (penta-refractory); and as a monotherapy for the treatment of adult patients with relapsed/refractory diffuse large B-cell lymphoma who have received at least two prior lines of treatment. In December 2021, we submitted supplemental sNDA to MFDS for XPOVIO® (selinexor) in combination with bortezomib and dexamethasone is indicated for the treatment of adult patients with multiple myeloma who have received at least one prior therapy.

In December 2021, XPOVIO® (selinexor) received conditional approval for marketing by the NMPA, applicable in combination with dexamethasone for the treatment of adults with rrMM who have received prior therapy including a proteasome inhibitor, an immunomodulatory agent and an anti-CD38 monoclonal antibody.

We have obtained NDA approvals of XPOVIO® (selinexor) in mainland China, South Korea, Singapore, Australia, Taiwan, China and Hong Kong, China. XPOVIO® (selinexor) in combination with dexamethasone (Xd) and in combination with bortezomib and dexamethasone (XVd) are listed on the PBS in Australia for the treatment of adult patients with rrMM who have received at least four prior lines of therapy and at least one prior line of therapy respectively. We have also submitted NDA applications for XPOVIO® (selinexor) to Pharmaceutical Administration Bureau of Macau, China, Malaysian National Pharmaceutical Regulatory Agency, Thai Food and Drug Authority and BPOM.

Several late-stage clinical studies are underway for XPOVIO® (selinexor) in mainland China:

A Phase II registrational clinical trial as monotherapy in rrDLBCL (the "**SEARCH trial**"). We dosed the first patient in SEARCH trial in 2020.

A Phase III registrational clinical trial in combination with bortezomib and low-dose dexamethasone in rrMM (the "**BENCH trial**"). We received IND approval from the NMPA at the end of 2020 and dosed the first patient in July 2021.

A Phase II/III registrational clinical trial in combination with rituximab, gemcitabine dexamethasone cisplatin ("**R-GDP**") in rrDLBCL, which is part of the global pivotal trial (XPORT-DLBCL-030) led by Karyopharm. We received IND approval from the NMPA in January 2021 and dosed the first patient in December 2021.

To further explore the clinical potential of XPOVIO® (selinexor) in cancer treatment, we also initiated early signal detection studies including Phase Ib clinical trial in combination with ifosfamide, carboplatin and etoposide ("**ICE**"), gemcitabine and oxaliplatin ("**GemOx**") or tislelizumab (an anti-PD-1 antibody) in the treatment of T-cell and NK/T-cell lymphoma patients, Phase Ib clinical trial in combination with ATG-008 (onatasertib) for the treatment of rrDLBCL and Phase I/II S-R2 in rriNHL.

Late-stage Product Candidates

Onatasertib (ATG-008, mTORC1/2 inhibitor)

ATG-008 (onatasertib), one of our Core Products. We obtained an exclusive license from Celgene Corporation for the development and commercialization of onatasertib in mainland China and selected APAC markets. In 2020, we continued to carry forward the clinical study in patients with HCC who received at least one line of prior therapy and dosed the first patient in cohort 3. In April 2021, we dosed the first patient in the fourth cohort of this study (TORCH study). We initiated a Phase I/II study of onatasertib in combination with toripalimab (anti-PD-1 antibody) in mainland China (TORCH-2 study).

In November 2022, we highlighted the preliminary positive results from the TORCH-2 study of ATG-008 (onatasertib) used in combination with toripalimab (a PD-1 antibody) in relapsed/metastatic cervical cancer patients (NCT04337463). The combination therapy demonstrated an objective response rate (ORR) of 52.4% (based on all treated patients) regardless of PD-L1 status. The results were based on early data from 21 patients, including 10 patients who reached partial response (PR) and 1 patient who achieved a complete response (CR). Five out of the ten responders were still responding, and two patients who were in stable disease (SD) still remain on treatment. The median progression free survival (PFS) for all treated patients was 5.5 months. In the TORCH-2 study, the ORR for PD-L1 positive subjects was 77.8% (7/9). In addition, 1 out of 2 CPI-exposed patients also reached PR. We also highlighted the data from the 45 milligram (mg) per day monotherapy dosing cohort of the open-label Phase II TORCH Trial in subjects with Hepatitis B virus positive (HBV+) unresectable HCC who have received at least one prior line of systemic therapy (NCT03591965). ATG-008 monotherapy demonstrated a 16.7% ORR based on 3 confirmed PRs out of 18 patients in this cohort. The median duration of response (DOR) for these patients is 4.3 months. In the TORCH study, 2 of the 3 patients with PRs were previously treated with a check-point inhibitor.

In May 2023, we announced the latest results from the Phase I/II TORCH-2 study. The results were subsequently presented as a poster at the 2023 American Society for Clinical Oncology Annual Meeting (ASCO 2023). The abstract was also presented in a Poster Discussion session at ASCO 2023.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ATG-008 (ONATASERTIB) SUCCESSFULLY.

Other Clinical Candidates

Eltanexor (ATG-016, second generation XPO1 inhibitor) – We obtained exclusive rights from Karyopharm for the development and commercialization of eltanexor in mainland China, Hong Kong, China, Taiwan, China, Macau, China, South Korea, Australia, New Zealand and ASEAN countries. In 2020, we obtained IND approval of a Phase I/II clinical study in patients with high-risk MDS from the NMPA in mainland China, and in May 2021, we dosed the first patient. Subsequently, we received IND approval of a Phase I/II clinical study in patients with solid tumors from the NMPA in mainland China in May 2021. We received IND approval of a Phase II open-label study designed to evaluate the safety, tolerability and efficacy of ATG-016 in patients with high-risk myelodysplastic syndromes (MDS) from the NMPA in mainland China in March 2022. In addition, we have one study ongoing in mainland China: a Phase I/II, open-label study to investigate the PK, safety, and efficacy of eltanexor (ATG-016) monotherapy in IPSS-R intermediate risk and above MDS patients after failure of HMA-based therapy (the "**HATCH trial**").

Tizaterkib (ATG-017, ERK1/2 inhibitor) – We obtained exclusive rights from AstraZeneca AB ("**AstraZeneca**") for the development and commercialization of ATG-017 worldwide. In 2020, we dosed the first patient in a Phase I clinical study in Australia. The dose-escalation study of ATG-017 as monotherapy as well as in combination with nivolumab (an anti-PD-1 antibody) the ERASER trial in Australia is ongoing. We entered into a clinical trial collaboration to evaluate the safety, pharmacokinetics and preliminary efficacy of ATG-017 in combination with Bristol Myers Squibb's anti-PD-1 antibody, Opdivo® (nivolumab) in December 2021. In October 2022, we received clearance from U.S. FDA to start the ERASER trial in the United States. In July 2023, we dosed the first patient in the United States.

ATG-101 (PD-L1/4-1BB bispecific antibody) – We received IND approval from the NMPA for a Phase I study of ATG-101 in March 2022 and we dosed the first patient in August 2022 in mainland China. The dose-escalation studies are ongoing in Australia, mainland China and the United States. In September 2022, ATG-101 has been granted an ODD by the U.S. FDA for the treatment of pancreatic cancer.

ATG-037 (CD73 inhibitor) – We received the approval from the HREC in Australia for the Phase I trial in February 2022 and we dosed the first patient in June 2022. The NMPA has approved a Phase I trial of ATG-037 in November 2022. We entered into a global clinical collaboration with MSD (Merck & Co., Inc., Rahway, NJ, USA) on a multicenter, open-label, Phase I dose – finding study of ATG-037 as a monotherapy and in combination with MSD's anti-PD-1 therapy, KEYTRUDA® (pembrolizumab), in the STAMINA-001 Trial in December 2022. In July 2023, we dosed the first patient in the Phase I of STAMINA trial in mainland China.

ATG-018 (ATR inhibitor) – We received approval from the HREC in Australia for a Phase I trial of ATG-018 in patients with advanced solid tumors and hematologic malignancies in June 2022 and we dosed the first patient in August 2022.

ATG-022 (Claudin 18.2 antibody-drug conjugate) – We received approval from the HREC in Australia to initiate a Phase I trial of ATG-022 in patients with advanced or metastatic solid tumors in December 2022 and we dosed the first patient in March 2023 in Australia. We also received IND approval from the NMPA in March 2023 in patients with advanced or metastatic solid tumors and dosed the first patient in May 2023 in mainland China. In May 2023, ATG-022 has been granted two ODDs consecutively by the U.S. FDA for the treatment of gastric cancer and pancreatic cancer.

ATG-031 (CD24 antibody) – We received IND clearance from the U.S. FDA to initiate a Phase I trial of ATG-031 in patients with advanced solid tumors or B-NHL in May 2023.

Pre-clinical Candidates

ATG-027 (B7H3/PD-L1 bispecific antibody) – We are conducting preclinical studies to support IND/CTA applications of ATG-027 and plan to submit the applications in 2024.

ATG-032 (LILRB antibody) – We are conducting preclinical studies to support IND/CTA applications of ATG-032.

ATG-041 (Axl-Mer inhibitor) – We are conducting preclinical studies to support IND/CTA application.

RESEARCH AND DEVELOPMENT

We focus on R&D of therapeutic strategies for the treatment of cancer. We seek to optimize the drug development process of each of our assets to fully unlock their therapeutic potential and maximise their clinical and commercial value. We have adopted a differentiated combinatory and complementary R&D approach to build a pipeline of first/best-in-class assets with synergistic profiles.

As at June 30, 2023, we have 16 ongoing clinical studies in mainland China, the United States and Australia with 8 of our pipeline assets, including ATG-010 (selinexor, XPO1 inhibitor), ATG-008 (onatasertib, mTORC1/2 inhibitor), ATG-016 (eltanexor, XPO1 inhibitor), ATG-017 (ERK1/2 inhibitor), ATG-101 (PD-L1/4-1BB bispecific antibody), ATG-037 (CD73 inhibitor), ATG-018 (ATR inhibitor) and ATG-022 (Claudin 18.2 antibody-drug conjugate). We have obtained NDA approvals of XPOVIO® (selinexor) in mainland China, South Korea, Singapore, Australia and Taiwan, China as at June 30, 2023. We have already obtained NDA approval of XPOVIO® (selinexor) in Hong Kong, China in July 2023. We also submitted NDA applications for XPOVIO® (selinexor) to Pharmaceutical Administration Bureau of Macau, China, Malaysian National Pharmaceutical Regulatory Agency, Thai Food and Drug Authority and BPOM. XPOVIO® (selinexor) in combination with dexamethasone (Xd) and in combination with bortezomib and dexamethasone (XVd) are listed on the PBS in Australia for the treatment of adult patients with rrMM who have received at least four prior line of therapy and at least one prior line of therapy respectively.

Our adjusted R&D costs (non-IFRS measure) were approximately RMB207.7 million and RMB170.0 million for the six months ended June 30, 2023 and 2022 respectively. As at June 30, 2023, we had filed 5 patent applications in mainland China, and 7 international applications under the Patent Cooperation Treaty (PCT) for material intellectual properties, all of which are pending.

BUSINESS DEVELOPMENT

In May, 2021 Antengene and Calithera entered into the License Agreement to develop and commercialize ATG-037. Under the terms of the License Agreement, Calithera received an initial upfront payment and was eligible to receive payments on potential development, regulatory and sales milestones, and tiered royalties on sales of the licensed product within the range of single to low double-digits. In January 2023, we have reached the Assignment Agreement with Calithera to acquire all of the outstanding rights of ATG-037. Pursuant to the Assignment Agreement, Antengene is no longer obligated to pay any future milestones and royalty to Calithera, and Antengene will also acquire ownership of all patents and patent applications relating to ATG-037.

EVENTS AFTER THE REPORTING PERIOD

In July 2023, we received NDA approval from the Department of Health, the Government of the HKSAR for XPOVIO® (selinexor), in combination with dexamethasone (Xd), for the treatment of adult patients with rrMM who have received at least four prior therapies and whose disease is refractory to at least two PIs, two IMiDs, an anti-CD38 monoclonal antibody, and who have demonstrated disease progression on the last therapy.

In July 2023, we dosed the first patient in the United States in the combination portion of the Phase I ERASER trial to evaluate ATG-017 plus nivolumab.

In July 2023, we dosed the first patient in the Phase I STAMINA trial of ATG-037 in mainland China.

In August 2023, we entered into an exclusive collaboration agreement (the "**Agreement**"), with Jiangsu Hansoh Pharmaceutical Group Company Limited (江蘇豪森藥業集團有限公司), a wholly-owned subsidiary of Hansoh Pharmaceutical Group Company Limited ("**Hansoh Pharma**") for the commercialization of XPOVIO® (selinexor) in the mainland of China. According to the terms of the Agreement, Antengene will continue to be responsible for research and development, regulatory approvals and affairs, product supply, and distribution of XPOVIO® (selinexor), while Hansoh Pharma will be exclusively responsible for commercialization of XPOVIO® (selinexor) in the mainland of China. Antengene will receive up to RMB200 million of upfront payments from Hansoh Pharma, RMB100 million of which shall be received upon signing the Agreement, and pursuant to the Agreement and subject to the terms and conditions thereof, Antengene shall be eligible to receive up to RMB100 million of the remaining upfront payments, and up to RMB535 million of milestone payments from Hansoh Pharma. Antengene will continue to record revenues of XPOVIO® (selinexor) in the mainland of China and Hansoh Pharma will receive a service fee from Antengene.

ATG-008 (mTORC1/2 inhibitor): The Phase II TORCH-2 study is currently enrolling both checkpoint inhibitor (CPI)-naïve and CPI-pre-treated cervical cancer patients. Based on the latest data review as of 23 August, 2023, out of the 31 CPI-naïve patients who received treatment (and 28 who had at least one tumor assessment), the ORR was observed to be 46.4%. Among the 17 patients with prior CPI treatment (and 15 patients who had at least one tumor assessment), the ORR was observed to be 26.7%. Updated clinical data will be presented in the Antengene Annual R&D Day in November.

ATG-022 (Claudin 18.2 antibody-drug conjugate) is currently enrolling patients in the dose escalation phase, and a partial response has already been observed earlier than the projected efficacious dose range.

ATG-101 (PD-L1/4-1BB bispecific antibody) is approaching its biologically active dose with good tolerability, partial response and durable stable disease. Notably, from low dose level, stable disease has been observed in the longest-treated patient, on the drug for over a year.

ATG-031 (anti-CD24 antibody), has multiple centers across the United States for Phase I trial, and MD Anderson Cancer Center in Houston, TX has been selected to be the lead site for this clinical trial. As part of the site initiation process, the Scientific Review Committee has granted approval, putting us on a solid track to initiate enrollment in the fourth quarter of this year.

ATG-037 (CD73 inhibitor): its trial was designed to include a combination segment with pembrolizumab in the dose escalation study, to assess the potential for additional clinical benefits. At present, a total of 13 patients have started the combination treatment.

ATG-017 (ERK1/2 inhibitor) has reached recommended phase II dose (RP2D) for monotherapy and successfully progressed to a combination dose expansion study, in conjunction with nivolumab, in the United States and Australia.

ATG-018 (ATR inhibitor) is making smooth progress through its dose escalation phase. 7 patients are with stable disease out of 12 efficacy evaluable patients at low dose levels.

FUTURE AND OUTLOOK

Leveraging our combinatory and complementary R&D strategy and through our strong R&D capabilities and strategic approach in developing novel therapies, we continue to realize our vision of treating patients beyond borders and improving their lives by discovering, developing and commercializing global first-in-class, only-in-class and/or best-in-class therapies.

We will continue to advance the clinical development of our 9 clinical stage assets in multiple therapeutic areas, and continue to implement our dual-engine approach of external partnerships and internal discovery to build up a pipeline focusing on the key oncogenic pathways, tumor microenvironment and tumor associated antigens globally. We also intend to continue implementing our complementary approach to develop the in-licensed assets for additional indications to maximise their commercial potential.

We have received NDA approvals for XPOVIO® (selinexor) in South Korea and mainland China in 2021, in Singapore, Australia and Taiwan, China in 2022 and in Hong Kong, China in 2023. We also submitted NDA applications for XPOVIO® (selinexor) in Macau, China, Malaysia, Thailand and Indonesia. We received IND clearance from the U.S. FDA to initiate a Phase I trial of ATG-031, the first-in-class anti-CD24 monoclonal Ab in patients with advanced solid tumors or B-NHL in May 2023. Looking into the second half of 2023, we further expect to receive approval for XPOVIO® (selinexor) in Macau, China in 2023.

With the expected NDA approval mentioned above and building upon our core commercial leadership team with experience in multiple successful launches of top hematology products globally, in APAC region and mainland China in the past, we will continue to build out our commercial team in preparation for a first-in-class launch of XPOVIO® (selinexor) in APAC region to address unmet medical needs in our territories.

FINANCIAL REVIEW

	For the six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
REVENUE	**72,016**	53,956
Cost of sales	**(12,649)**	(8,705)
Gross profit	**59,367**	45,251
Other income and gains	**121,073**	167,820
Research and development costs	**(226,093)**	(179,407)
Selling and distribution expenses	**(88,246)**	(90,377)
Administrative expenses	**(83,756)**	(85,878)
Other expenses	**(571)**	(1,505)
Finance costs	**(468)**	(355)
LOSS BEFORE TAX	**(218,694)**	(144,451)
Income tax expense	**–**	–
LOSS FOR THE PERIOD	**(218,694)**	(144,451)
Non-IFRS measures:		
Adjusted loss for the period	**(189,437)**	(126,259)

Revenue. Our revenue increased by RMB18.0 million from RMB54.0 million for the six months ended June 30, 2022 to RMB72.0 million for the six months ended June 30, 2023, primarily attributable to the increased sales revenue of XPOVIO® (selinexor).

Other Income and Gains. Our other income and gains decreased by RMB46.7 million from RMB167.8 million for the six months ended June 30, 2022 to RMB121.1 million for the six months ended June 30, 2023, primarily attributable to the net foreign exchange gain of RMB92.3 million recorded for the six months ended June 30, 2023 due to the rise in the exchange rate of USD against RMB, but not as favourable as that of for the six months ended June 30, 2022 which recorded RMB144.4 million.

Research and Development Costs. Our research and development costs increased by RMB46.7 million from RMB179.4 million for the six months ended June 30, 2022 to RMB226.1 million for the six months ended June 30, 2023. This increase was primarily attributable to the combined impact of (i) an increase of RMB27.3 million in licensing fees as we made payments of RMB40.5 million for the six months ended June 30, 2023 to acquire all the outstanding rights of ATG-037 from Calithera thus we are no longer obligated to pay any future milestones and royalty; and (ii) an increase of RMB27.2 million in R&D employee costs in line with our strong product pipeline and enhanced in-house R&D capabilities.

	For the six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
Employee costs	**86,920**	59,679
– Equity-settled share-based payment expense	***18,384***	*9,417*
Depreciation and amortization	**6,837**	3,048
Licensing fees	**40,464**	13,213
Drug development expenses	**76,812**	94,608
Professional fees	**7,529**	4,345
Others	**7,531**	4,514
Total	**226,093**	179,407

Selling and Distribution Expenses. Our selling and distribution expenses decreased by RMB2.2 million from RMB90.4 million for the six months ended June 30, 2022 to RMB88.2 million for the six months ended June 30, 2023. This decrease was primarily attributable to the combined impact of (i) RMB21.3 million milestone payments related to the commercialization of XPOVIO® (selinexor) for the six months ended June 30, 2023; and (ii) a decrease of RMB20.5 million in selling and distribution expenses in Greater China market primarily due to the positive result of reducing cost and enhancing efficiency for the six months ended June 30, 2023 after the commercial launch of XPOVIO® (selinexor) in mainland China in 2022.

The table below sets forth the components of our selling and distribution expenses by nature for the periods indicated:

	For the six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
Milestone payments related to commercialization	**21,286**	–
Subtotal	**21,286**	–
Employee costs	**42,571**	46,775
– Equity-settled share-based payment expense	***1,856***	*2,301*
Market development expenses	**22,754**	41,433
Depreciation and amortization	**1,487**	1,271
Others	**148**	898
Subtotal	**66,960**	90,377
Total	**88,246**	90,377

The table below sets forth the components of our selling and distribution expenses by geographical markets, excluding milestone payments related to commercialization, for the periods indicated:

	For the six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
Greater China	**53,369**	73,891
Other countries/regions	**13,591**	16,486
Total	**66,960**	90,377

Administrative Expenses. Our administrative expenses decreased by RMB2.1 million from RMB85.9 million for the six months ended June 30, 2022 to RMB83.8 million for the six months ended June 30, 2023. This decrease was primarily attributable to the decreased professional fees in relation to operating and administrative activities as a reflection of our ongoing cost control efforts and the improved operation efficiency.

	For the six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
Employee costs	**51,198**	43,896
– Equity-settled share-based payment expense	***9,017***	*6,474*
Professional fees	**13,516**	23,539
Depreciation and amortization	**7,700**	6,531
Others	**11,342**	11,912
Total	**83,756**	85,878

NON-IFRS MEASURES

To supplement the Group's unaudited condensed consolidated financial statements, which are presented in accordance with the IFRS, the Company also uses adjusted loss for the period and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The Company believes that these adjusted measures provide useful information to shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations in the same manner as they help the Company's management.

Adjusted loss for the period represents the loss for the period excluding the effect of equity-settled share-based payment expense. The term adjusted loss for the period is not defined under the IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS. The Company's presentation of such adjusted figure may not be comparable to a similarly titled measure presented by other companies. However, the Company believes that this and other non-IFRS measures are reflections of the Group's normal operating results by eliminating potential impacts of items that the management do not consider to be indicative of the Group's operating performance, and thus, facilitate comparisons of operating performance from period to period and company to company to the extent applicable.

The table below sets forth a reconciliation of the loss to adjusted loss during the periods indicated:

	For the six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
Loss for the period	**(218,694)**	(144,451)
Added:		
Equity-settled share-based payment expense	**29,257**	18,192
Adjusted loss for the period	**(189,437)**	(126,259)

EMPLOYEES AND REMUNERATION POLICIES

The following table sets forth a breakdown of our employees as at June 30, 2023 by function:

Function	Number of employees	% of total number of employees
General and Administrative	66	18.4
Research and Development	135	37.6
Commercialization	135	37.6
Manufacturing	23	6.4
Total	359	100.0

As at June 30, 2023, we had 319 employees in China and 40 employees in overseas. Our employees' remuneration comprises salaries, bonuses, employee provident fund and social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees.

Moreover, a wide range of on-the-job training and capacity-building activities were organized to help all employees to develop professional clinical knowledge and strengthen their management skills. To ensure our employees are well-equipped to deliver their work, we help new employees quickly fit into the Company by offering orientation training and on-the-job training from their entry so they can familiarize themselves with Antengene and their work duties. In addition, each new employee will also be assigned a mentor to help them adapt to the new working environment and explore their personal development and career aspirations.

LIQUIDITY AND FINANCIAL RESOURCES

As at June 30, 2023, our cash and bank balances were RMB1,322.4 million, as compared to RMB1,789.6 million as at December 31, 2022. The decrease was mainly due to the operating expenses for the six months ended June 30, 2023, as well as settling the total of RMB135.8 million outstanding payables as at December 31, 2022 related to the commercialization milestone payments in 2023.

As at June 30, 2023, the Group's cash and bank balances were held mainly in USD and RMB.

As at June 30, 2023, the current assets of the Group were RMB1,445.2 million, including cash and bank balances of RMB1,322.4 million, and other current assets of RMB122.8 million. As at June 30, 2023, the current liabilities of the Group were RMB158.7 million, including other payables and accruals of RMB141.9 million and other current liabilities of RMB16.8 million.

Current Ratio

Current ratio is calculated using current assets divided by current liabilities and multiplied by 100%. As at June 30, 2023, our current ratio was 910.4% (as at December 31, 2022: 496.6%).

Gearing Ratio

Gearing ratio is calculated using total liabilities divided by total assets and multiplied by 100%. As at June 30, 2023, our gearing ratio was 15.8% (as at December 31, 2022: 20.0%).

OTHER FINANCIAL INFORMATION

Significant Investments, Material Acquisitions and Disposals

As at June 30, 2023, we did not hold any significant investments. For the six months ended June 30, 2023, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

Future Plans for Material Investments or Capital Assets

We did not have any concrete plans for material investments or capital assets as at June 30, 2023.

Foreign Exchange Risk

We have transactional currency exposures. The majority of our bank balances and interest receivables are denominated in foreign currencies and are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Contingent Liabilities

As at June 30, 2023, we did not have any material contingent liabilities.

Pledge or charge of assets

As at June 30, 2023, the Group had a total of RMB43.9 million of the leasehold land pledged to secure its bank facilities.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Dr. Jay Mei (梅建明), M.D., Ph.D., aged 58, was appointed as a Director on August 28, 2018. He was redesignated as an Executive Director and appointed as the Chairman of the Board and the Chief Executive Officer of the Company (the "**CEO**") on August 18, 2020. Dr. Mei has been one of the key management members of the Group and has been actively involved in the business, strategy and operational management of the Group since its establishment.

Dr. Mei has over 30 years of experience in clinical research and development of oncology therapeutics globally and has successfully led the development of multiple oncology products. He has published over 70 publications and holds multiple patents jointly with other investors.

Before joining the industry in 2001, Dr. Mei spent 8 years at the National Cancer Institute (part of the NIH) as a Senior Cancer Researcher. Prior to founding Antengene, in February 2001, Dr. Mei joined as a Principal Scientist in the oncology team in the drug discovery division and an Associate Director at Johnson & Johnson Pharmaceutical Research & Development, L.L.C.. From April 2006 to October 2008, Dr. Mei worked as a Senior Director at Novartis Oncology, part of the Innovative Medicines division of Novartis AG (a company listed on the SIX Swiss Exchange and the New York Stock Exchange with stock codes NOVN.SIX and NVS.NYSE, respectively). Dr. Mei served as an Executive Director of the clinical development department at Celgene (now part of Bristol-Myers Squibb (a company listed on the New York Stock Exchange with stock code BMY.NYSE)) from October 2008 to March 2017 and was one of the leading members in the clinical development of multiple blockbuster drugs including REVLIMID®, which is among the best-selling oncology therapies worldwide. Dr. Mei was also involved in the clinical development of POMALYST®, another one of the best-selling oncology drugs worldwide, and IDHIFA®, a first-in-class drug for the treatment of acute myeloid leukemia (AML). Dr. Mei was a Director of Jiangsu Asieris Pharmaceuticals Co., Ltd. (江蘇亞虹醫藥科技有限公司) from November 2014 to December 2020. Dr. Mei has been leading the management of Antengene Corporation Co., Ltd. (德琪(浙江)醫藥科技有限公司) ("**Antengene Zhejiang**") since April 2017. Dr. Mei was appointed as an Independent Director of SanReno Therapeutics Holding Limited on February 24, 2022.

Dr. Mei received his Doctor of Medicine degree in medicine from Hunan Medical University (湖南醫科大學) (now XiangYa School of Medicine of Central South University (中南大學湘雅醫學院)) in July 1989. Dr. Mei obtained his Doctor of Philosophy degree in pharmacology and toxicology from the University of Maryland in January 1994. Dr. Mei was a member of the American Society of Clinical Oncology and has also been a member of the American Society of Hematology since 2006. In addition, Dr. Mei currently holds an adjunct professorship at the Baruch S. Blumberg Institute.

Mr. John F. Chin, MBA, aged 57, was appointed as the Chief Business Officer (CBO) of the Company on January 2, 2020 and as an Executive Director on August 18, 2020. Mr. Chin has been in charge of the overall business development and commercial strategies and planning of the Group since he joined us.

Mr. Chin started his career at Merck, Sharp, and Dohme Corp in 1990 and later joined Bristol-Myers Squibb (a company listed on the New York Stock Exchange with stock code BMY.NYSE) in January 1992 to July 1998, holding a number of sales and training positions at BMS. Since October 1998, he served in a number of positions at Aventis Pharmaceutical Holdings Inc. ("**Aventis**") (before the merger in 1999, Rhône-Poulenc Rorer), including Associate Product Manager, Product Manager, Senior Product Manager for oncology and Regional Sales Director for oncology. From January 2005 to January 2020, Mr. Chin served in a number of positions at Celgene (now part of Bristol-Myers Squibb (a company listed on the New York Stock Exchange with stock code BMY.NYSE)), including Senior Director for corporate account management, Executive Director for oncology marketing, Regional General Manager for Latin America and General Manager for China.

Mr. Chin received his Bachelor's degree in science from the University of Arizona in December 1989. He also obtained his Master's degree in business administration from Pepperdine University in April 1998.

Mr. Donald Andrew Lung (龍振國), J.D., MBA, aged 41, was appointed as the Chief Financial Officer (CFO) of the Company on June 8, 2020 and an Executive Director on June 18, 2021. Mr. Lung has been in charge of the overall finance of the Group since he joined us.

Mr. Lung has over 16 years of experience in investment banking and public equities. From June 2004 to November 2008, Mr. Lung worked at Goldman Sachs (Asia) L.L.C. He was then engaged in the asset management business at Pine River Capital Management from August 2012 to June 2017 and at Myriad Asset Management Limited from August 2017 to August 2019. From October 2019 to June 2020, Mr. Lung worked as a Portfolio Manager at BFAM Partners (Hong Kong) Limited.

Mr. Lung received his Bachelor of Arts degree in economics and political science from Yale University in May 2004. He also obtained a Master's degree in business administration and a Juris Doctor degree from The Chinese University of Hong Kong, both in November 2015.

DIRECTORS AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTORS

Dr. Kan Chen (陳侃), Ph.D., aged 42, was appointed as a Non-executive Director on March 26, 2021. Dr. Chen is primarily responsible for participating in formulating the Company's corporate and business strategies.

From November 2012 to September 2014, Dr. Chen has been the group leader of Jiangsu Hengrui Medicine Co., Ltd. From October 2014 to January 2016, he has been the Senior Scientist of Janssen, Pharmaceutical Companies of Johnson & Johnson. Dr. Chen is currently serving as a Partner at Qiming Venture Partners ("**Qiming**"), focusing on healthcare investment. Dr. Chen joined Qiming in February 2016, had served as Associate and Vice President, Principal and was deeply involved in Qiming's investment of the Company's Series A Financing. Dr. Chen has served as a non-executive director of CANbridge Pharmaceuticals Inc. (a company listed on the main board of the Stock Exchange with stock code 1228) since 2020. Dr. Chen has been a Director of Connect Biopharma Holdings Limited (a company listed on NASDAQ with stock code CNTB) since December 2020 and a Director of Jiangsu Asieris Pharmaceuticals Co., Ltd. (江蘇亞虹醫藥科技有限公司) (a company listed on the Shanghai Stock Exchange with stock code 688176) since December 2020.

Dr. Chen obtained his Bachelor's degree in biological science from Fudan University in June 2004. He obtained his Doctor of Philosophy degree in cell biology from Case Western Reserve University in January 2009.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Jing Qian (錢晶), MBA, aged 48, was appointed as an Independent Non-executive Director effective as of November 9, 2020.

From July 1999 to July 2002, Ms. Qian served as an Associate at The Boston Consulting Group. From March 2005 to December 2008, she served as a Project Manager at McKinsey & Company. From January 2009 to March 2010, Ms. Qian was appointed as a Director responsible for business development and strategic planning for the Asia-Pacific region at Baxter (China) Investment Co., Ltd. From April 2010 to January 2012, she was appointed as a Vice President in charge of business development and New Product Planning at Boehringer Ingelheim Pharmaceutical Co., Ltd. Ms. Qian served as the Principal at Fidelity Growth Partners Asia from January 2012 to December 2013. From February 2014 to October 2018, she was appointed as an Executive Director at FountainVest Capital. Since October 2018, Ms. Qian has been a Partner at Pivotal BioVenture Partners China, a venture capital firm specializing in venture building in the life science industry.

Ms. Qian obtained her Bachelor's degree in international economics and Master's degree in economics from East China Normal University (華東師範大學) in July 1996 and July 1999, respectively. She received her Master's degree in business administration from The Wharton School, University of Pennsylvania in May 2004.

Mr. Sheng Tang (唐晟), CPA, MBA, aged 40, was appointed as an Independent Non-executive Director effective as of November 9, 2020.

From July 2005 to July 2007, Mr. Tang performed audit and business consulting work at PricewaterhouseCoopers Zhong Tian LLP. He served as a Senior Accountant from July 2007 to September 2011 and as a Manager from October 2011 to May 2012 at Ernst & Young Hua Ming LLP Shanghai Branch. From January 2013 to January 2016, he served as a Financial Manager at CITIC Industrial Investment Group Corp., Ltd. Mr. Tang has been appointed as a Senior Lecturer at Shanghai Gaodun Financial Education Group since 2008 and was seconded to Sun Yat-Sen University and Shanghai University from March 2016 to June 2017. From September 2017 to July 2019, he served as the Chief Financial Officer at Canada Tenkey Holdings. In February 2018, Mr. Tang founded Sheng Qian Plus Corp to provide accounting and tax consulting and education service.

Mr. Tang received his Bachelor's degree in economics from Shanghai Institute of International Business and Economics (上海對外貿易學院) (now Shanghai University of International Business and Economics (上海對外經貿大學)) in July 2005 and obtained his Master's degree in business administration from Fudan University (復旦大學) in January 2015. Mr. Tang became a member of the Chinese Institute of Certified Public Accountants in June 2012. In September 2014, he was admitted as a fellow of the Association of Chartered Certified Accountants. Mr. Tang became a member of the Chartered Professional Accountants Ontario in June 2018 and a member of the Hong Kong Institute of Certified Public Accountants in July 2018.

Dr. Rafael Fonseca, MD, aged 56, was appointed as an Independent Non-executive Director effective as of April 14, 2023.

Dr. Fonseca is the Getz Family Professor of Cancer, Professor of Medicine, Chair of the Department of Internal Medicine, Chief Innovation Officer, at the Mayo Clinic in Arizona and a member of the Mayo Clinic Board of Governors and Board of Trustees. Throughout his training and career, Dr. Fonseca has received numerous awards and honors, including the Damon Runyon-Walter Winchell Clinical Investigator Award and the International Waldenström Macroglobulinemia Research Award. He is a Mayo Clinic Distinguished Investigator, the highest academic distinction given to investigators at his institution. He holds memberships and serves in positions for organizations such as the American Society of Clinical Oncology (ASCO), American Society of Hematology (ASH), American Association for Cancer Research, and the International Myeloma Society. His research has been funded by the National Cancer Institute (R01, P01, SPORE), the Leukemia & Lymphoma Society, the Multiple Myeloma Research Fund, and the Damon Runyon Cancer Research Fund. Dr. Fonseca serves as a reviewer and in editorial capacities for medical publications including Blood, Lancet, Nature Medicine, Cancer Cell, Leukemia, and the New England Journal of Medicine, among others. He has given many national and international presentations as a visiting professor and has authored over 300 articles, book chapters, editorials, abstracts, and letters.

Dr. Fonseca earned his medical degree at Universidad Anahuac, Mexico in 1991. He completed a residency in Internal Medicine at the University of Miami, Florida in 1994, and a fellowship in Hematology and Oncology at Mayo Clinic Graduate School of Biomedical Sciences, Rochester, Minnesota in 1998. He was named a clinical investigator for the Damon Runyon Cancer Research Fund. He is a visiting healthcare fellow at the Goldwater Institute.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Dr. Jay Mei (梅建明), M.D., Ph.D., aged 58, was appointed as a Director on August 28, 2018. He was re-designated as an executive Director and appointed as the Chairman of the Board and the CEO on August 18, 2020. For further details of his biography, please see the sub-section headed "Executive Directors" in this section.

Mr. John F. Chin, MBA, aged 57, was appointed as the CBO on January 2, 2020 and as an executive Director on August 18, 2020. For further details of his biography, please see the sub-section headed "Executive Directors" in this section.

Dr. Xiaojing Zhang (張曉靜), M.D., aged 46, was appointed as the Chief Medical Officer (CMO) of the Company in December 2022.

Dr. Zhang is a medical oncologist and hematologist with more than 20 years of experience in the field of oncology and pharmaceutical industry, including 7 years of clinical practice in China, nearly 18 years of experience in all phases of clinical development, as well as medical affairs and over 10 years of experience in team management. Dr. Zhang worked at Novartis China and Bayer in both the United States and China for over 12 years during which she was promoted to the position of Global Clinical Leader (GCL) – Oncology, contributing to the approval of Exjade® and Nexavar® and the global development of Xofigo® and Stivarga® and several early phase compounds. Dr. Zhang has successively served as the Vice President, Head of Clinical Development – Oncology, Corporate Vice President and the CMO (oncology) at Jiangsu Hengrui Pharmaceuticals Co., Ltd. (江蘇恆瑞醫藥股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code 600276) for nearly 3.5 years. Under her leadership, the full functional clinical development team has accomplished multiple Investigational New Drug (IND) approvals in both China and the United State and numerous New Drug Application (NDA) approvals in China.

Dr. Bo Shan (單波), Ph.D., aged 47, was appointed as the Chief Scientific Officer (CSO) of the Company in March 2021.

Dr. Shan has over 16 years of experience in R&D and manufacturing in Europe and China. Before that, he was a Corporate Vice President of the Company. During his tenure, Dr. Shan assembled highly effective discovery, CMC and manufacturing teams, and built a preclinical pipeline of 6 assets for the Company. Dr. Shan was also responsible for supporting regulatory submissions related to drug products and drug substances. Prior to joining the Company, Dr. Shan oversaw the construction and validation of Ascletis Pharma's Shaoxing production facility which successfully passed CFDA GMP inspection in 2018 as well as production, quality, sourcing, EHS and engineering departments.

Dr. Shan holds a Ph.D. in Medicinal Chemistry from Aston University in the UK.

Mr. Donald Andrew Lung (龍振國), J.D., MBA, aged 41, was appointed as the Chief Financial Officer (CFO) of the Company on June 8, 2020 and an Executive Director on June 18, 2021. For further details of his biography, please see the sub-section headed "Executive Directors" in this section.

Mr. Yiteng Liu (劉翼騰), aged 39, was appointed as the Chief Operation Officer (COO) on August 18, 2020.

Mr. Liu has been one of the key management members of the Group and has been actively involved in our business, strategy and operational management since our establishment.

From February 2008 to May 2009, Mr. Liu served as an engineer at Agilent Technologies Co. Ltd. From October 2010 to May 2011, he served as a research consultant at Frost & Sullivan (Beijing) Inc., Shanghai Branch and worked on the global offering and listing on the Stock Exchange of Samsonite International S.A. From October 2011 to May 2012, Mr. Liu was appointed as a manager at CBRE and was responsible for headquarter site selection and investment consulting for multinational corporations and institutional investors such as Lego, Unilever, BlackStone, etc. From March 2013 to May 2017, he worked at CITIC Industrial Investment Group Corp., Ltd. while serving as the general manager of the strategic development department at CITIC Senior Living Ltd. Mr. Liu was also one of the founding team members of CITIC Senior Living Ltd. Mr. Liu was appointed as a vice president of Shanghai Antengene focusing on business operation and corporate finance on June 1, 2017. Mr.Liu was also involved in the management of Antengene Zhejiang since June 2017.

Mr. Liu received his Bachelor's degree in electronic science and technology from Harbin Institute of Technology (哈爾濱工業大學) in July 2007 and obtained his Master's degree in electronic engineering from The Hong Kong University of Science and Technology in November 2010.

OTHER INFORMATION

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the "**Shareholders**") and to enhance corporate value and accountability. The Company has applied the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Part 2 of Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). During the Reporting Period, the Board is of the opinion that the Company has complied with all the code provisions except for the deviation from code provision C.2.1 of the CG Code which is explained below.

Code provision C.2.1 of the CG Code provides that the roles of the chairman of the Board (the "**Chairman**") and chief executive officer (the "**CEO**") should be separated and should not be performed by the same individual. During the Reporting Period and as at the date of this report, the roles of the Chairman and CEO of the Company are held by Dr. Jay Mei ("**Dr. Mei**") who is a founder of the Company.

The Board believes that, in view of his experience, personal profile and his roles in the Company, Dr. Mei is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as the CEO. The Board also believes that the combined role of Chairman and CEO can promote the effective execution of strategic initiatives and facilitate the flow of information between the management of the Company and the Board.

In addition, the decisions to be made by the Board require approval by at least a majority of the Directors and that the Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors, which the Company believes that there are sufficient checks and balances in the Board. Dr. Mei and other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they shall act for the benefit and in the best interest of the Company and will make decisions for the Group accordingly.

The Board will continue to review and consider splitting the roles of the Chairman and the CEO at the time when it is appropriate by taking into account the circumstances of the Group as a whole. Further information concerning the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the year ending December 31, 2023.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted the Model Code contained in Appendix 10 to the Listing Rules as the guidelines for Directors' dealings in the securities of the Company. Specific enquiries have been made of all the Directors, and they have confirmed that they have complied with the required standards set out in the Model Code throughout the Reporting Period.

The Company's relevant employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code. No incident of non-compliance with the Model Code by the employees was noted by the Company throughout the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

USE OF NET PROCEEDS

The shares of the Company were listed on the Main Board of the Stock Exchange on November 20, 2020 (the "**Listing Date**"). The Group received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the IPO and the exercise of over-allotment option of approximately RMB2,274.70 million.

OTHER INFORMATION

The net proceeds from the listing (adjusted on a pro rata basis based on the actual net proceeds) have been and will be utilized in accordance with the purposes set out in the prospectus of the Company dated November 9, 2020 (the "**Prospectus**"). The table below sets out the planned allocations of the net proceeds and actual usage up to June 30, 2023:

Function	**Percentage of use of proceeds (Approximately)** % of total amount	**Net proceeds from the IPO** RMB million	**Unutilised net proceeds as at December 31, 2022** RMB million	**Actual use of net proceeds during the Reporting Period** RMB million	**Unutilized net proceeds as at June 30, 2023** RMB million	**Expected timeline for full utilisation of the net proceeds**
Fund ongoing and planned clinical trials and milestone payments of our two Core Products and commercial launches of ATG-010	41%	932.63	203.43	203.43	–	N/A
Fund ongoing and planned clinical trials and milestone payments of four other clinical-stage drug candidates in our pipeline	25%	568.67	486.57	12.26	474.31	Expected to be fully utilized by December 31, 2024
Fund ongoing pre-clinical studies and planned clinical trials for other pre-clinical drug candidates in our pipeline	9%	204.72	–	–	–	N/A
For expansion of our pipeline, including discovery of new drug candidates and business development activities	14%	318.46	236.91	80.39	156.52	Expected to be fully utilized by December 31, 2024
For capital expenditure	1%	22.75	–	–	–	N/A
For general corporate purposes	10%	227.47	–	–	–	N/A
Total	**100%**	**2,274.70**	**926.91**	**296.08**	**630.83**	

Notes:

(a) Net proceeds from the IPO were received in HKD and translated into RMB for the allocation and the utilization calculation, and have been adjusted slightly due to the fluctuation of the foreign exchange rates since the listing.

(b) The expected timeline was based on the Company's estimation of future market conditions and business operations, remains subject to change based on actual R&D progress, market conditions and business needs. The unutilized net proceeds of RMB630.83 million as at June 30, 2023 are expected to be fully utilized by December 31, 2024.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As far as the Company is aware, as at June 30, 2023, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of our associated corporations (within the meaning of Part XV of the the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "**SFO**")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director or CEO	Nature of Interest	Total number of shares/ underlying shares	Approximate Percentage of Shareholding Interest[2]
Dr. Jay Mei[3]	Interest in controlled corporation and beneficial interest	183,597,994(L)[1]	27.20%
Mr. John F. Chin[4]	Beneficial interest	1,825,496(L)[1]	0.27%
Mr. Donald Andrew Lung[5]	Beneficial interest	4,100,000(L)[1]	0.61%
Mr. Jing Qian[6]	Beneficial interest	80,000(L)[1]	0.01%
Mr. Sheng Tang[7]	Beneficial interest	80,000(L)[1]	0.01%

Notes:

(1) "L" means holding a long position in Shares.

(2) Refers to the percentage of the number of relevant Shares involved divided by the number of Shares in issue of the Company as at June 30, 2023.

(3) Meiland Pharma Tech SPC holds 175,927,994 Shares and is owned as to 90.20%, 1.28% and 8.52% by Dr. Jay Mei, JAY MEI 2022 GRAT and AM & Beyond Trust respectively. Both JAY MEI 2022 GRAT and AM & Beyond Trust are controlled by Dr. Jay Mei. Accordingly, Dr. Jay Mei is deemed to be interested in the total number of Shares held by Meiland Pharma Tech SPC. In addition, Dr. Jay Mei is entitled to (i) acquire up to 4,670,000 Shares pursuant to the share options granted to him; and (ii) 3,000,000 underlying Shares of RSUs granted to him, both subject to the relevant conditions (including the vesting conditions) thereunder.

(4) Mr. John F. Chin directly holds 135,496 Shares. In addition, Mr. John F. Chin is entitled to (i) acquire up to 1,380,000 Shares pursuant to the share options granted to him; and (ii) 310,000 underlying Shares of RSUs granted to him, both subject to the relevant conditions (including the vesting conditions) thereunder.

(5) Mr. Donald Andrew Lung is entitled to (i) acquire up to 3,600,000 Shares pursuant to the share options granted to him; and (ii) 500,000 underlying Shares of RSUs granted to him, both subject to the relevant conditions (including the vesting conditions) thereunder.

(6) Ms. Jing Qian is entitled to (i) acquire up to 30,000 Shares pursuant to the share options granted to her; and (ii) 50,000 underlying Shares of RSUs granted to her, both subject to the relevant conditions (including the vesting conditions) thereunder.

(7) Mr. Sheng Tang is entitled to (i) acquire up to 30,000 Shares pursuant to the share options granted to him; and (ii) 50,000 underlying Shares of RSUs granted to him, both subject to the relevant conditions (including the vesting conditions) thereunder.

Save as disclosed above, as at June 30, 2023, none of the Directors or chief executives of the Company had or was deemed to have any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or which were required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO; or which were required, pursuant to the Model Code as contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2023, to the best of the knowledge of the Company and the Directors, the following are the persons, other than the Directors or chief executives of the Company, who had interests or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO.

Interests in the Shares and Underlying Shares of the Company:

Name of Shareholder	Nature of Interest	Total number of shares/ underlying shares	Approximate Percentage of Shareholding Interest[2]
Meiland Pharma Tech SPC	Beneficial interest	175,927,994(L)[1]	26.07%
Boyu Capital Group Holdings Ltd.[3]	Interest in controlled corporation	73,789,650(L)[1]	10.93%
Boyu Capital General Partner III, Ltd.[3]	Interest in controlled corporation	62,711,436(L)[1]	9.29%
Boyu Capital General Partner III, L.P.[3]	Interest in controlled corporation	62,711,436(L)[1]	9.29%
Boyu Capital Fund III, L.P.[3]	Interest in controlled corporation	62,711,436(L)[1]	9.29%
Active Ambience Limited[3]	Beneficial interest	62,711,436(L)[1]	9.29%
THE CORE TRUST COMPANY LIMITED[4]	Trustee	63,760,332(L)[1]	9.45%
FountainVest China Capital Partners GP3 Ltd.[5]	Interest in controlled corporation	46,314,396(L)[1]	6.86%
FountainVest China Capital Partners Fund III, L.P.[5]	Interest in controlled corporation	46,314,396(L)[1]	6.86%
Begonia Investment Ltd.[5]	Beneficial interest	46,314,396(L)[1]	6.86%
Qiming Corporate GP V, Ltd[6]	Interest in controlled corporation	40,170,442(L)[1]	5.95%
Qiming GP V, L.P.[6]	Interest in controlled corporation	38,961,648(L)[1]	5.77%
Qiming Venture Partners V, L.P.[6]	Beneficial interest	38,961,648(L)[1]	5.77%

Notes:

(1) "L" means holding a long position in Shares.

(2) Refers to the percentage of the number of relevant Shares involved divided by the number of Shares in issue of the Company as at June 30, 2023.

(3) Active Ambience Limited ("**Active Ambience**") is wholly-owned by Boyu Capital Fund III, L.P. ("**BCF III**"). Boyu Capital General Partner III, L.P. ("**BCGP III LP**") is the general partner of BCF III. Boyu Capital General Partner III, Ltd. ("**BCGP III Ltd**") is the general partner of BCGP III LP. Boyu Capital Group Holdings Ltd. ("**BCGH**") wholly-owns BCGP III Ltd. Accordingly, each of BCF III, BCGP III LP, BCGP III Ltd and BCGH is deemed to be interested in the total number of Shares held by Active Ambience. In addition, Supercluster Universe Limited ("**Supercluster Universe**") holds 3,538,714 Shares immediately following completion of the Capitalization Issue and the Global Offering. Supercluster Universe is wholly-owned by Boyu Capital Opportunities Master Fund ("**BCOMF**"), which is in turn wholly-owned by Boyu Capital Investment Management Limited ("**BCIM**"). BCIM is wholly-owned by BCGH. Accordingly, BCGH is also deemed to be interested in the total number of Shares held by Supercluster Universe and 7,539,500 Shares directly held by BCOMF.

(4) THE CORE TRUST COMPANY LIMITED, as a trustee, holds 19,829,500 Shares, 25,553,732 Shares and 18,377,100 shares on trust under certain equity incentive plans through ATG Incentives Holding Limited, ATG Incentives Holding Plus Limited and Antengene Resurrection Limited (each a "**Nominee**" and collectively, the "**Nominees**"), respectively. Each of the Nominees is wholly-owned by TCT (BVI) Limited, which is in turn wholly-owned by THE CORE TRUST COMPANY LIMITED.

(5) Begonia Investment Ltd. ("**Begonia**") is owned as to 76.25% by FountainVest China Capital Partners Fund III, L.P., which is wholly controlled by FountainVest China Capital Partners GP3 Ltd. Accordingly, each of FountainVest China Capital Partners Fund III, L.P. and FountainVest China Capital Partners GP3 Ltd. is deemed to be interested in the 46,975,396 Shares held by Begonia.

(6) Qiming GP V, L.P. is the general partner of Qiming Venture Partners V, L.P., and Qiming Corporate GP V, Ltd is the general partner of Qiming GP V, L.P. Accordingly, each of Qiming GP V, L.P. and Qiming Corporate GP V, Ltd is deemed to be interested in the total number of Shares held by Qiming Venture Partners V, L.P. In addition, Qiming Managing Directors Fund V, L.P. holds 1,208,794 Shares immediately following completion of the Capitalization Issue and the Global Offering. Qiming Corporate GP V, Ltd is the general partner of Qiming Managing Directors Fund V, L.P. and is deemed to be interested in the total number of Shares held by the latter.

Save as disclosed above, as at June 30, 2023, the Directors were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

OTHER INFORMATION

EQUITY INCENTIVE PLANS

The 2019 Equity Incentive Plan was adopted and approved by resolutions in writing by the Board on December 30, 2019 and amended by resolutions in writing by the Board on August 18, 2020. The 2020 Equity Incentive Plan was adopted and approved by resolutions in writing by the Board on August 18, 2020. The terms of the 2019 Equity Incentive Plan and the 2020 Equity Incentive Plan (collectively, the "**Equity Incentive Plans**") are substantially similar and are compliant with the provisions of Chapter 17 of the Listing Rules.

As at June 30, 2023, an aggregate of 16,852,646 Shares, representing approximately 2.50% of the total issued shares of the Company, are outstanding under the 2019 Equity Incentive Plan, and an aggregate of 16,672,520 Shares, representing approximately 2.47% of the total issued shares of the Company, are outstanding under the 2020 Equity Incentive Plan. As at June 30, 2023, none of the share options granted under the Equity Incentive Plans has been exercised.

As all Shares underlying the share options which could be granted under the Equity Incentive Plans have already been issued and allotted to the trustee which holds such Shares on trust, no further Shares will be issued under the Equity Incentive Plans. Since there was no grant of share options during the Reporting Period under the Equity Incentive Plans and no further Shares will be issued under the Equity Incentive Plans, the number of Shares that may be issued in respect of options granted under the Equity Incentive Plans during the Reporting Period divided by the weighted average number of Shares in issue during the Reporting Period is nil.

All share options that could be granted under the then available scheme mandate limit as at January 1, 2023, June 30, 2023 and the date of this report was 7,387,912, 7,387,912 and 7,387,912 shares respectively which represented about 1.09%, 1.09% and 1.09% of the issued share capital of the Company as at the date of this report respectively. No service provider sub-limit has been set for the Equity Incentive Plans.

As at June 30, 2023, the grantees under the Equity Incentive Plans include six Directors (including a former Director who has resigned during the Reporting Period), two members of the senior management and 117 other employees of the Group. Details of the share options granted under the Equity Incentive Plans as at June 30, 2023 are set out below:

Name or category of grantee	Outstanding as at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2023	Date of Grant	Exercise Price	Vesting Period	Exercise Period	Share closing price immediately before the date of grant of share options	Weighted average share closing price immediately before the exercise dates
Directors												
Dr. Jay Mei	4,000,000	–	–	–	–	4,000,000	23-Aug-20	US$0.92	Note 1	Note 6	N/A (Note 2)	N/A
	670,000	–	–	–	–	670,000	27-Aug-21	HK$12.56	Note 3	Note 6	HK$12.94	N/A
	4,670,000	–	–	–	–	4,670,000						
Mr. John F. Chin	1,000,000	–	–	–	–	1,000,000	23-Aug-20	US$0.92	Note 3	Note 6	N/A (Note 2)	N/A
	300,000	–	–	–	–	300,000	19-Jan-21	HK$20.65	Note 3	Note 6	HK$20.9	N/A
	80,000	–	–	–	–	80,000	27-Aug-21	HK$12.56	Note 3	Note 6	HK$12.94	N/A
	1,380,000	–	–	–	–	1,380,000						
Mr. Donald Andrew Lung	3,200,000	–	–	–	–	3,200,000	23-Aug-20	US$1.42	Note 3	Note 6	N/A (Note 2)	N/A
	300,000	–	–	–	–	300,000	19-Jan-21	HK$20.65	Note 3	Note 6	HK$20.9	N/A
	100,000	–	–	–	–	100,000	27-Aug-21	HK$12.56	Note 3	Note 6	HK$12.94	N/A
	3,600,000	–	–	–	–	3,600,000						
Mr. Mark J. Alles (Note 5)	600,000	–	–	600,000	–	0	23-Aug-20	US$0.92	Note 3	Note 6	N/A (Note 2)	N/A
	50,000	–	–	50,000	–	0	27-Aug-21	HK$12.56	Note 3	Note 6	HK$12.94	N/A
	650,000	–	–	650,000	–	0						
Ms. Jing Qian	20,000	–	–	–	–	20,000	23-Aug-20	US$0.92	Note 3	Note 6	N/A (Note 2)	N/A
	10,000	–	–	–	–	10,000	27-Aug-21	HK$12.56	Note 3	Note 6	HK$12.94	N/A
	30,000	–	–	–	–	30,000						
Mr. Sheng Tang	20,000	–	–	–	–	20,000	23-Aug-20	US$0.92	Note 3	Note 6	N/A (Note 2)	N/A
	10,000	–	–	–	–	10,000	27-Aug-21	HK$12.56	Note 3	Note 6	HK$12.94	N/A
	30,000	–	–	–	–	30,000						

Name or category of grantee	Outstanding as at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2023	Date of Grant	Exercise Price	Vesting Period	Exercise Period	Share closing price immediately before the date of grant of share options	Weighted average share closing price immediately before the exercise dates
Senior management												
Mr. Yiteng Liu	1,851,500	–	–	–	–	1,851,500	23-Aug-20	US$0.92	Note 1	Note 6	N/A (Note 2)	N/A
	400,000	–	–	–	–	400,000	30-Oct-20	US$0.92	Note 1	Note 6	N/A (Note 2)	N/A
	300,000	–	–	–	–	300,000	19-Jan-21	HK$20.65	Note 3	Note 6	HK$20.9	N/A
	100,000	–	–	–	–	100,000	27-Aug-21	HK$12.56	Note 3	Note 6	HK$12.94	N/A
	2,651,500	–	–	–	–	2,651,500						
Dr. Bo Shan	1,020,000	–	–	–	–	1,020,000	1-Nov-19	US$0.88	Note 4	Note 6	N/A (Note 2)	N/A
	600,000	–	–	–	–	600,000	23-Aug-20	US$1.06	Note 3	Note 6	N/A (Note 2)	N/A
	400,000	–	–	–	–	400,000	19-Jan-21	HK$20.65	Note 3	Note 6	HK$20.9	N/A
	150,000	–	–	–	–	150,000	27-Aug-21	HK$12.56	Note 3	Note 6	HK$12.94	N/A
	2,170,000	–	–	–	–	2,170,000						
Subtotal	15,181,500	–	–	650,000	–	14,531,500						
Employee participants (Note 9)												
117 other employees of the Company	334,000	–	–	–	–	334,000	November 1, 2019 to October 30, 2020	US$0.88	Note 3	Note 6	N/A (Note 2)	N/A
	7,566,524	–	–	–	–	7,566,524		US$0.88	Note 4	Note 6	N/A (Note 2)	N/A
	1,562,000	–	–	–	–	1,562,000		US$0.92	Note 3	Note 6	N/A (Note 2)	N/A
	1,266,000	–	–	–	–	1,266,000		US$1.06	Note 3	Note 6	N/A (Note 2)	N/A
	616,000	–	–	–	–	616,000		US$1.21	Note 3	Note 6	N/A (Note 2)	N/A
	1,422,000	–	–	23,000	–	1,399,000		US$1.42	Note 3	Note 6	N/A (Note 2)	N/A
	3,664,000	–	–	99,000	–	3,565,000	19-Jan-21	HK$20.65	Note 3	Note 6	HK$20.9	N/A
	2,699,742	–	–	192,600	–	2,507,142	27-Aug-21	HK$12.56	Note 3	Note 6	HK$12.94	N/A
	178,000	–	–	–	–	178,000	20-Dec-21	HK$10.29	Note 3	Note 6	HK$10.1	N/A
Subtotal	19,308,266	–	–	314,600	–	18,993,666						
Total	**34,489,766**	**–**	**–**	**964,600**	**–**	**33,525,166**						

Notes:

1. All of such options are to be vested six months after the Listing Date.

2. Such share options were granted before the Listing Date and therefore the share closing price immediately before the date of grant of the share options is not applicable.

3. 30% of such share options are to be vested two years from the date of grant; 30% of such options are to be vested three years from the date of grant; 40% of such options are to be vested four years from the date of grant.

4. 15 % of such share options were vested upon the Listing Date; 15% of such options are to be vested two years from the date of grant; 30% of such options are to be vested three years from the date of grant; 40% of such options are to vested four years from the date of grant.

5. Mr. Mark J. Alles has resigned as a Director with effect from April 14, 2023.

6. The exercise period of the share options granted under the Equity Incentive Plans is 10 years from the date of grant (subject to vesting).

7. The share options granted under the Equity Incentive Plans are not subject to any performance target.

8. Employee participants include employees of the Company and its subsidiaries.

9. The fair value of share options granted during the Reporting Period at the date of grant is N/A, since there was no grant of share options under the Equity Incentive Plans during the Reporting Period.

10. Save as disclosed above, no option was granted under the Equity Incentive Plans to any Director, chief executive of the Company or substantial Shareholder, or their respective associates.

11. No participant has been granted with options and awards in excess of the 1% individual limit.

12. No option has been granted under the Equity Incentive Plans to related entity participant or service provider.

For further details, please refer to the section headed "Appendix IV – Statutory and General Information – Equity Incentive Plans" of the Prospectus, and note 16 to the Interim Condensed Consolidated Financial Information of this report.

2022 RSU SCHEME

On January 21, 2022, the Board has resolved to adopt the 2022 RSU Scheme, which is in parallel with other share incentive schemes which have been or may be adopted by the Company.

All restricted share units (the "**RSU(s)**") that could be granted under the then available scheme mandate limit as at January 1, 2023 and June 30, 2023 was 14,907,057 and 15,205,182, respectively, which represented about 2.21% and 2.25% of the issued shares of the Company as at the date of this report respectively. No service provider sub-limit has been set for the 2022 RSU Scheme.

The RSUs have been granted based on the performance, length of service and significance of the grantees who have made important contributions to and are important to the long-term growth and success of the Group. As at June 30, 2023, the grantees under the RSUs include six Directors (including a former Director who has resigned during the Reporting Period), and 280 other employees of the Group. All underlying Shares of the RSUs granted under the 2022 RSU Scheme have already been allotted and issued to the trustee which holds such Shares on trust. As such, the number of Shares that may be issued in respect of RSUs granted under the 2022 RSU Scheme during the Reporting Period divided by the weighted average number of Shares in issue during the Reporting Period is nil. Thus, the number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of Shares in issue during the Reporting Period is nil.

Details of the RSUs granted under the 2022 RSU Scheme as at June 30, 2023 are set out below:

			Number of shares underlying the RSUs (with existing Shares as underlying Shares)								
Name of Participant or Category of Participant	Date of grant	Closing price of shares immediately before the date on which the RSUs were granted	Outstanding as of the beginning of the Reporting Period	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as of the ending of the Reporting Period	Vesting Period	Weighted average closing price of the shares immediately before the dates on which the RSUs were vested	Fair value of RSUs at the date of grant
Directors											
Dr. Jay Mei	1-Nov-22	HK$3.33	2,250,000	–	–	–	–	2,250,000	Note 1	N/A	HK$3.73
Mr. John F. Chin	1-Nov-22	HK$3.33	232,500	–	–	–	–	232,500	Note 1	N/A	HK$3.73
Mr. Donald Andrew Lung	1-Nov-22	HK$3.33	375,000	–	–	–	–	375,000	Note 1	N/A	HK$3.73
Mr. Mark J. Alles (Note 3)	1-Nov-22	HK$3.33	37,500	–	–	37,500	–	–	Note 1	N/A	HK$3.73
Ms. Jing Qian	1-Nov-22	HK$3.33	37,500	–	–	–	–	37,500	Note 1	N/A	HK$3.73
Mr. Sheng Tang	1-Nov-22	HK$3.33	37,500	–	–	–	–	37,500	Note 1	N/A	HK$3.73
Other 1 employee participant	1-Nov-22	HK$3.33	500,000	–	–	–	–	500,000	Note 2	HK$3.73	HK$3.73
Total			**3,470,000**	**–**	**–**	**37,500**	**–**	**3,432,500**			

			Number of shares underlying the RSUs (with newly issued Shares as underlying Shares)								
Name of Participant or Category of Participant	Date of grant	Closing price of shares immediately before the date on which the RSUs were granted	Outstanding as of the beginning of the Reporting Period	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as of the ending of the Reporting Period	Vesting Period	Weighted average closing price of the shares immediately before the dates on which the RSUs were vested	Fair value of RSUs at the date of grant
Other 280 employee participants (Note 7)	1-Nov-22	HK$3.33	8,275,125	–	–	107,625	–	8,167,500	Note 1	N/A	HK$3.73
	1-Nov-22	HK$3.33	2,862,600	–	–	153,000	–	2,709,600	Note 2	N/A	HK$3.73
Total			**11,137,725**	**–**	**–**	**260,625**	**–**	**10,877,100**			

Notes:

1. The RSUs to grantees who joined the Group prior to or on the Listing Date of the Group shall be vested in the portions of 25%, 25%, 16.6%, 16.7% and 16.7% on the grant date, the first, second, third and fourth anniversaries of the grant date of the RSUs, respectively.

2. The RSUs to grantees who joined the Group after the Listing Date of the Group shall be vested in the portions of 25%, 25%, 25% and 25% on the first, second, third and fourth anniversaries of the grant date of the RSUs, respectively.

3. Mr. Mark J. Alles has resigned as a Director with effect from April 14, 2023.

4. The RSUs granted under the 2022 RSU Scheme are not subject to any performance target.

5. None of the five highest paid individuals has been granted with RSUs with existing Shares as underlying Shares under the 2022 RSU Scheme.

6. No consideration or any form of purchase price is payable by the grantee upon acceptance or vesting of the RSU.

7. Employee participants include employees of the Company and its subsidiaries.

8. The fair value of awards granted during the Reporting Period at the date of grant is N/A, since there was no grant of RSU under the 2022 RSU Scheme during the Reporting Period.

9. Save as disclosed above, there is no RSU granted under the 2022 RSU Scheme to any Director, chief executive of the Company or substantial Shareholder, or their respective associates.

10. No participant has been granted with RSUs in excess of the 1% individual limit.

11. No RSU has been granted under the 2022 RSU Scheme to related entity participant or service provider.

For further details of the 2022 RSU Scheme, please refer to the announcement of the Company dated January 21, 2022.

OTHER INFORMATION

NO MATERIAL CHANGES

Save as disclosed in this report, during the Reporting Period, there are no material changes affecting the Company's performance that needs to be disclosed under paragraphs 32 and 40(2) of Appendix 16 to the Listing Rules.

INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended June 30, 2023 (six months ended June 30, 2022: nil).

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS AND INTERIM REPORT

The audit committee of the Company (the "**Audit Committee**") has three members (who are all independent non-executive directors), being Mr. Sheng Tang (chairman), Dr. Rafael Fonseca and Ms. Jing Qian with written terms of reference in compliance with the Listing Rules.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee reviewed and considered that the interim financial results for the six months ended June 30, 2023 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

In addition, the Company's external auditor, Ernst & Young, has performed an independent review of the Group's interim financial information for the six months ended June 30, 2023 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

INDEPENDENT REVIEW REPORT

Ernst & Young
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To the board of directors of Antengene Corporation Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 44 to 66, which comprises the condensed consolidated statement of financial position of Antengene Corporation Limited (the "Company") and its subsidiaries (the "Group") as at June 30, 2023 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
August 25, 2023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended June 30, 2023

	Notes	Six months ended June 30, 2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
REVENUE	4	**72,016**	53,956
Cost of sales		**(12,649)**	(8,705)
Gross profit		**59,367**	45,251
Other income and gains	4	**121,073**	167,820
Research and development costs		**(226,093)**	(179,407)
Selling and distribution expenses		**(88,246)**	(90,377)
Administrative expenses		**(83,756)**	(85,878)
Other expenses		**(571)**	(1,505)
Finance costs		**(468)**	(355)
LOSS BEFORE TAX	5	**(218,694)**	(144,451)
Income tax expense	6	**–**	–
LOSS FOR THE PERIOD		**(218,694)**	(144,451)
Attributable to:			
Owners of the parent		**(218,694)**	(144,451)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted			
–For loss for the period		**RMB (0.36)**	RMB (0.23)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2023

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	**(218,694)**	(144,451)
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(57,549)**	(49,365)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	**(57,549)**	(49,365)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(276,243)**	(193,816)
Attributable to:		
Owners of the parent	**(276,243)**	(193,816)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2023

	Notes	June 30, 2023 RMB'000 (Unaudited)	December 31, 2022 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	**208,100**	154,483
Right-of-use assets		**72,225**	74,878
Other intangible assets		**6,164**	6,584
Equity investments designated at fair value through other comprehensive income		**2,574**	2,574
Financial assets at fair value through profit or loss		**4,195**	4,195
Prepayments and other receivables	10	**3,284**	3,366
Total non-current assets		**296,542**	246,080
CURRENT ASSETS			
Inventories		**13,157**	9,892
Trade receivables	11	**41,158**	29,767
Prepayments and other receivables	10	**68,369**	66,684
Financial assets at fair value through profit or loss		**104**	103
Cash and bank balances	12	**1,322,363**	1,789,634
Total current assets		**1,445,151**	1,896,080
CURRENT LIABILITIES			
Trade payables	13	**5,638**	7,822
Other payables and accruals	14	**141,875**	363,061
Lease liabilities		**11,229**	10,914
Total current liabilities		**158,742**	381,797
NET CURRENT ASSETS		**1,286,409**	1,514,283
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,582,951**	1,760,363
NON-CURRENT LIABILITIES			
Lease liabilities		**16,615**	17,041
Interest-bearing bank borrowings		**100,000**	30,000
Total non-current liabilities		**116,615**	47,041
Net assets		**1,466,336**	1,713,322
EQUITY			
Equity attributable to owners of the parent			
Share capital	15	**451**	451
Treasury shares		**(10,353)**	(10,353)
Reserves		**1,476,238**	1,723,224
Total equity		**1,466,336**	1,713,322

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2023

		Attributable to owners of the parent						
	Notes	Share capital RMB'000	Treasury shares	Share -based payment reserve* RMB'000	Share premium* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000
At January 1, 2023 (audited)		451	(10,353)	169,738	6,326,479	(80,938)	(4,692,055)	1,713,322
Loss for the period		–	–	–	–	–	(218,694)	(218,694)
Other comprehensive loss for the period:								
Exchange differences on translation of foreign operations		–	–	–	–	(57,549)	–	(57,549)
Total comprehensive loss for the period		–	–	–	–	(57,549)	(218,694)	(276,243)
Equity-settled share-based payment expense	16	–	–	29,257	–	–	–	29,257
At June 30, 2023 (unaudited)		451	(10,353)	198,995	6,326,479	(138,487)	(4,910,749)	1,466,336
At January 1, 2022 (audited)		446	(18,758)	130,924	6,356,229	16,039	(4,090,567)	2,394,313
Loss for the period		–	–	–	–	–	(144,451)	(144,451)
Other comprehensive loss for the period:								
Exchange differences on translation of foreign operations		–	–	–	–	(49,365)	–	(49,365)
Total comprehensive loss for the period		–	–	–	–	(49,365)	(144,451)	(193,816)
Equity-settled share-based payment expense	16	–	–	18,192	–	–	–	18,192
Repurchase of ordinary shares		–	(9,834)	–	–	–	–	(9,834)
Cancellation of ordinary shares		(2)	28,562	–	(28,560)	–	–	–
At June 30, 2022 (unaudited)		444	(30)	149,116	6,327,669	(33,326)	(4,235,018)	2,208,855

* These reserve accounts comprise the reserves of RMB1,476,238,000 and RMB2,208,441,000 in the condensed consolidated statement of financial position as at June 30, 2023 and June 30, 2022, respectively.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2023

	Notes	Six months ended June 30, 2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
CASH FLOWS USED IN OPERATING ACTIVITIES			
Loss before tax:		**(218,694)**	(144,451)
Adjustments for:			
Finance costs		**468**	355
Interest income	4	**(14,158)**	(11,042)
Depreciation of property, plant and equipment		**7,992**	4,491
Depreciation of right-of-use assets		**7,450**	5,948
Amortisation of other intangible assets		**582**	411
Equity-settled share-based payment expense	16	**29,257**	18,192
Foreign exchange differences, net	5	**(92,253)**	(144,400)
Impairment losses on financial assets	11	**24**	77
		(279,332)	(270,419)
Increase in inventories		**(3,265)**	(6,383)
Increase in trade receivables	11	**(11,415)**	(34,203)
Increase in prepayments and other receivables		**(15,173)**	(9,691)
(Decrease)/increase in trade payables	13	**(2,184)**	10,554
(Decrease)/increase in other payables and accruals		**(194,793)**	52,157
Net cash flows used in operating activities		**(506,162)**	(257,985)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(60,250)**	(15,488)
Purchases of other intangible assets		**(149)**	(4,362)
Decrease/(increase) in time deposits with original maturity of more than three months	12	**758,932**	(251,697)
Interest received		**27,095**	12,830
Increase in pledged deposits	12	**(92)**	(1,491)
Proceeds from disposal of financial assets at fair value through profit or loss		**–**	95,635
Net cash flows from/(used in) investing activities		**725,536**	(164,573)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2023

	Notes	Six months ended June 30, 2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Principal portion of lease payments		**(5,557)**	(9,003)
New bank loans		**70,000**	–
Interest paid		**(2,533)**	–
Repurchase of ordinary shares		**–**	(9,834)
Net cash flows from/(used in) financing activities		**61,910**	(18,837)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**281,284**	(441,395)
Cash and cash equivalents at beginning of period		**605,771**	1,314,178
Effect of foreign exchange rate changes, net		**10,285**	64,427
CASH AND CASH EQUIVALENTS AT END OF PERIOD	12	**897,340**	937,210
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	12	**1,322,363**	2,150,972
Pledged deposits	12	**(5,895)**	(5,710)
Bank deposits with original maturity of more than three months when acquired	12	**(419,128)**	(1,208,052)
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows		**897,340**	937,210

1 CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on August 28, 2018. The registered address of the Company is the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The subsidiaries of the Company were involved in the research, development and commercialisation of pharmaceutical products.

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") effective from November 20, 2020.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2023 has been prepared in accordance with *IAS 34 Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2022.

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2022, except for the adoption of the following new and revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

IFRS 17	*Insurance Contracts*
Amendments to IFRS 17	*Insurance Contracts*
Amendments to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparative Information*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

The above amendments are not expected to have any significant impact on the Group's interim condensed consolidated financial information.

3 OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which is the research, development and commercialisation of pharmaceutical products. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Greater China	**67,255**	52,750
Other countries/regions	**4,761**	1,206
	72,016	53,956

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	June 30,	December 31,
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Greater China	**279,370**	228,715
United States	**5,204**	5,571
Australia	**2,500**	2,876
	287,074	237,162

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

Revenue from each of major customers, which accounted for 10% or more of the Group's revenue during the reporting period, is as follows:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Customer A	**67,075**	39,057
Customer B	*****	13,693

* Transactions with this customer did not exceed 10% of the Group's revenue.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**72,016**	53,956

Revenue from contracts with customers

(a) Disaggregated revenue information

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods		
Sales of pharmaceutical products	**72,016**	53,956
Geographical markets		
Greater China	**67,255**	52,750
Other countries/regions	**4,761**	1,206
Total revenue from contracts with customers	**72,016**	53,956
Timing of revenue recognition		
Goods transferred at a point in time	**72,016**	53,956

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of pharmaceutical products

The performance obligation is satisfied upon delivery of the pharmaceutical products and payment is generally due within 60 to 90 days from the date of billing.

4. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

An analysis of other income and gains is as follows:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Government grants*	**14,662**	8,686
Bank interest income	**14,157**	10,593
Other interest income from financial assets at fair value through profit or loss	**1**	449
Others	**–**	3,692
	28,820	23,420
Other gains		
Foreign exchange gains, net	**92,253**	144,400
	121,073	167,820

* Government grants include subsidies from the governments which are specifically for (i) the incentive and subsidies for research and development activities which are recognised upon compliance with the attached conditions; (ii) other government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs recognised in profit or loss in the period in which they become receivable; and (iii) the capital expenditure incurred for plant and machinery and is recognised over the useful life of the related assets.

5 LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	**12,649**	8,705
Depreciation of property, plant and equipment	**7,992**	4,491
Depreciation of right-of-use assets	**7,450**	5,948
Amortisation of other intangible assets	**582**	411
Lease payments not included in the measurement of lease liabilities	**2,062**	857
Employee benefit expense:		
Wages and salaries	**129,376**	110,625
Pension scheme contributions (defined contribution scheme)	**20,211**	19,140
Staff welfare expenses	**1,845**	2,393
Equity-settled share-based payment expense	**29,257**	18,192
	180,689	150,350
Foreign exchange differences, net*	**(92,253)**	(144,400)

* Included in "Other income and gains" in the consolidated statement of profit or loss

6 INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

British Virgin Islands

Under the current laws of the British Virgin Islands ("BVI"), the subsidiaries incorporated in the BVI are not subject to tax on income or capital gains. In addition, upon payments of dividends by these subsidiaries to their shareholders, no BVI withholding tax is imposed.

Hong Kong

The subsidiaries incorporated in Hong Kong were subject to income tax at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2022: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2022: 8.25%) and the remaining assessable profits are taxed at 16.5% (2022: 16.5%).

Macau

The subsidiary incorporated in Macau was subject to income tax at the rate of 12% (2022: 12%) on the estimated assessable profits arising in Macau during the period.

Mainland China

Pursuant to the Corporate Income Tax Law of the People's Republic of China and the respective regulations (the "CIT Law"), the subsidiaries which operate in Mainland China were subject to CIT at a rate of 25% (2022: 25%) on the taxable income.

6 INCOME TAX (CONTINUED)

Australia

No provision for Australia profits tax has been made as the Group had no assessable profits derived from or earned in Australia during the period (2022: Nil). The subsidiary incorporated in Australia was subject to income tax at the rate of 25% (2022: 25%) on the estimated assessable profits arising in Australia during the period.

Singapore

No provision for Singapore profits tax has been made as the Group had no assessable profits derived from or earned in Singapore during the period (2022: Nil). The subsidiary incorporated in Singapore was subject to income tax at the rate of 17% (2022: 17%) on the estimated assessable profits arising in Singapore during the period.

South Korea

No provision for South Korea profits tax has been made as the Group had no assessable profits derived from or earned in South Korea during the period (2022: Nil). The subsidiary incorporated in South Korea was subject to income tax at the rate of 10% (2022: 10%) on the estimated assessable profits arising in South Korea during the period.

United States of America

The subsidiary incorporated in Delaware, the United States was subject to statutory United States federal corporate income tax at a rate of 21% (2022: 21%). It was also subject to the state income tax in Delaware at a rate of 8.7% (2022: 8.7%) during the period.

Taiwan

No provision for Taiwan profits tax has been made as the Group had no assessable profits derived from or earned in Taiwan during the period. The subsidiary incorporated in Taiwan was subject to income tax at the rate of 20% on the estimated assessable profits arising in Taiwan during the period.

No provision for income taxation has been made for the six months ended June 30, 2023 (June 30, 2022: Nil) as the Group had no assessable profits derived from the operating entities of the Group.

7 DIVIDENDS

No dividend was paid or declared by the Company during the six months ended June 30, 2023 (June 30, 2022: Nil).

8 LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 614,876,787 (June 30, 2022: 619,056,818) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended June 30, 2023 and 2022 in respect of a dilution as the impact of the share options and restricted share units outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

The calculations of basic and diluted loss per share are based on:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	**(218,694)**	(144,451)

	Number of shares Six months ended June 30,	
	2023	2022
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue* during the period used in the basic and diluted loss per share calculation	**614,876,787**	619,056,818

* After considering treasury shares

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2023, the Group acquired assets at a cost of RMB61,148,000 (June 30, 2022: RMB19,812,000).

No impairment loss was recognised during the six months ended June 30, 2023 (June 30, 2022: Nil).

10 PREPAYMENTS AND OTHER RECEIVABLES

	June 30, 2023 RMB'000 (Unaudited)	December 31, 2022 RMB'000 (Audited)
Non-current:		
Deposits and other receivables	**2,699**	2,149
Prepayments for purchases of property, plant and equipment	**585**	1,217
	3,284	3,366
Current:		
Value-added tax recoverable	**49,820**	39,400
Interest receivables	**3,793**	16,731
Amounts due from related parties	**54**	–
Prepayments	**11,348**	7,127
Deposits and other receivables	**3,354**	3,426
	68,369	66,684

The deposits and other receivables had no historical default. The financial assets included in the above balances related to receivables were categorised in stage 1 at the end of each reporting period. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. During the period, the Group estimated that the expected credit loss rate for other receivables and deposits is minimal.

The balances are interest-free and are not secured with collateral.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. In view of the fact that the Group's deposits and other receivables relate to a large number of diversified counterparties, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its deposits and other receivable balances.

11 TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	June 30, 2023 RMB'000 (Unaudited)	December 31, 2022 RMB'000 (Audited)
Within 3 months	**41,099**	29,767
3 to 6 months	**59**	–
	41,158	29,767

12 CASH AND BANK BALANCES

	June 30, 2023 RMB'000 (Unaudited)	December 31, 2022 RMB'000 (Audited)
Cash and bank balances	**1,322,363**	1,789,634
Less:		
Pledged deposits (i)	**5,895**	5,803
Bank deposits with original maturity of more than three months when acquired (ii)	**419,128**	1,178,060
Cash and cash equivalents	**897,340**	605,771

(i) They represent pledged deposits in commercial banks primarily for bank overdraft, letters of credit and guarantee. None of these deposits are either past due or impaired.

(ii) They represent time deposits with initial terms of over three months when acquired in commercial banks with annual return rates ranging from 3.50% to 5.55% (2022: 1.52% to 5.33%). None of these deposits are either past due or impaired. None of these deposits are pledged.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB395,152,000 (2022: RMB323,429,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

13 TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	June 30, 2023 RMB'000 (Unaudited)	December 31, 2022 RMB'000 (Audited)
Within 3 months	**5,638**	7,822

The trade payables are non-interest-bearing and are normally settled on terms of two to three months.

14 OTHER PAYABLES AND ACCRUALS

	June 30, 2023 RMB'000 (Unaudited)	December 31, 2022 RMB'000 (Audited)
Amount due to related parties	**–**	40
Deferred income*	**24,996**	25,665
Payroll payables	**38,948**	47,680
Other tax payables	**12,067**	12,650
Payables for purchase of property, plant and equipment	**1,018**	3,267
Other payables**	**64,846**	137,914
Payables for milestone payments related to commercialisation***	**–**	135,845
	141,875	363,061

* As at June 30, 2023, deferred income of RMB24,996,000 (December 31, 2022: RMB25,665,000) represent the government grants related to an asset that will be recognised in profit or loss over the expected useful life of the relevant asset.

** Other payables primarily consist of accrued or invoiced but unpaid fees for services from contract research organisations ("CROs"), contract development manufacture organisations ("CDMOs") and clinical site management operators ("SMOs").

*** Milestone payments related to the commercialisation of the Group's lead product, Selinexor.

Other payables and accruals are unsecured, non-interest-bearing and repayable on demand. The carrying amounts of financial liabilities included in other payables and accruals as at the end of each reporting period approximate to their fair values due to their short-term maturities.

15 SHARE CAPITAL AND TREASURY SHARES

Issued and fully paid:

	Number of shares in issue	Share capital USD'000	RMB equivalent RMB'000
Ordinary shares of USD0.0001 each			
As at December 31, 2022 (audited) and June 30, 2023 (unaudited)	674,888,744	67	451

16 SHARE-BASED PAYMENTS

(a) Equity Incentive Plans

The Company adopted the 2019 and 2020 Equity Incentive Plans pursuant to the resolutions passed on December 30, 2019 and August 18, 2020 respectively for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. Eligible participants of the Equity Incentive Plans may include any officers, directors, employees of the Company, and any individual consultants or advisors who render or have rendered bona fide services to the Company.

The maximum aggregate number of shares that may be granted was 20,000,000 and 25,702,232 respectively under the 2019 and 2020 Equity Incentive Plans. Subject to any restriction contained in the Equity Incentive Plans, each vested option shall not be exercisable until the later of: (i) the date such option has vested and (ii) 30 days after the IPO, but shall be exercised within 10 years from the date of grant. The exercise price for each share ranges from USD0.88 to USD2.66 under the 2019 and 2020 Equity Incentive Plans.

The following share options were outstanding under the 2019 and 2020 Equity Incentive Plans during the six months ended June 30, 2023 and 2022:

	Six months ended June 30,			
	2023		2022	
	Weighted average exercise price USD	**Number of options '000**	Weighted average exercise price USD	Number of options '000
At January 1, (audited)	**1.32**	**34,490**	1.34	36,364
Forfeited during the period	**1.28**	**(965)**	1.93	(1,165)
At June 30, (unaudited)	**1.32**	**33,525**	1.32	35,199

16 SHARE-BASED PAYMENTS (CONTINUED)

(a) Equity Incentive Plans (continued)

The exercise prices and exercise periods of the share options outstanding as at June 30, 2023 are as follows:

Number of options '000	Exercise price USD per share	Exercise period
920	0.88	Dec 20, 2020 – Oct 31, 2029
223	0.88	Dec 20, 2020 – Aug 22, 2030
5,851	0.92	May 20, 2021 – Aug 22, 2030
400	0.92	May 20, 2021 – Oct 29, 2030
2,417	0.88	Nov 1, 2021 – Oct 31, 2029
223	0.88	Nov 1, 2021 – Aug 22, 2030
2,814	0.92 – 1.42	Aug 23, 2022 – Aug 22, 2030
40	1.42	Oct 19, 2022 – Oct 18, 2030
50	1.06 – 1.42	Oct 30, 2022 – Oct 29, 2030
1,757	0.88	Nov 1, 2022 – Oct 31, 2029
446	0.88	Nov 1, 2022 – Aug 22, 2030
1,460	2.66	Jan 19, 2023 – Jan 18, 2031
2,814	0.92 – 1.42	Aug 23, 2023 – Aug 22, 2030
1,088	1.61	Aug 27, 2023 – Aug 27, 2031
40	1.42	Oct 19, 2023 – Oct 18, 2030
50	1.06 – 1.42	Oct 30, 2023 – Oct 29, 2030
2,342	0.88	Nov 1, 2023 – Oct 31, 2029
594	0.88	Nov 1, 2023 – Aug 22, 2030
53	1.32	Dec 20, 2023 – Dec 20, 2031
1,460	2.66	Jan 19, 2024 – Jan 18, 2031
3,752	0.92 – 1.42	Aug 23, 2024 – Aug 22, 2030
1,088	1.61	Aug 27, 2024 – Aug 27, 2031
54	1.42	Oct 19, 2024 – Oct 18, 2030
67	1.06 – 1.42	Oct 30, 2024 – Oct 29, 2030
53	1.32	Dec 20, 2024 – Dec 20, 2031
1,946	2.66	Jan 19, 2025 – Jan 18, 2031
1,452	1.61	Aug 27, 2025 – Aug 27, 2031
71	1.32	Dec 20, 2025 – Dec 20, 2031
33,525		

The Group recognised the total expense of RMB16,653,000 for the six months ended June 30, 2023 in relation to share options granted by the Company (six months ended June 30, 2022: RMB18,192,000).

16 SHARE-BASED PAYMENTS (CONTINUED)

(b) Restricted Share Unit Scheme

The Company adopted the 2022 Restricted Share Unit ("RSU") Scheme pursuant to the resolutions passed on January 21, 2022, for the purpose of recognising the contributions by the employees, directors, officers, advisors and consultants of any member of the Group providing them with incentives in order to retain them for the continual operation and development of the Group and attracting suitable personnel for further development of the Group. Unless otherwise cancelled or amended, the 2022 RSU Scheme will remain in force for 10 years from the date of adoption.

The maximum aggregate number of shares that may be granted shall be 18,377,100 shares under the 2022 RSU Scheme. The RSUs to grantees who joined the Group prior or on the listing date of the Group shall be vested in the portions of 25%, 25%, 16.6%, 16.7% and 16.7% on the grant date, the first, second, third and fourth anniversaries of the grant date of the RSUs, respectively. The RSUs to grantees who joined the Group after the listing date of the Group shall be vested in the portions of 25%, 25%, 25% and 25% on the first, second, third and fourth anniversaries of the grant date of the RSUs, respectively.

The Group recognised the total expense of RMB12,604,000 for the six months ended June 30, 2023 in relation to RSUs granted by the Company (six months ended June 30, 2022: Nil).

The following RSUs were outstanding under the Restricted Share Unit Scheme during the six months ended June 30, 2023 and 2022:

	Six months ended June 30,			
	2023		2022	
	Weighted average exercise price USD	**Number of shares '000**	Weighted average exercise price USD	Number of shares '000
At January 1, (audited)	**–**	**14,608**	–	–
Forfeited during the period	**–**	**(298)**	–	–
At June 30, (unaudited)	**–**	**14,310**	–	–

17 RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in the interim condensed consolidated financial information, the Group had the following transactions with related parties during the reporting periods:

Compensation of key management personnel of the Group:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short term employee benefits	**20,256**	21,308
Post-employment benefits	**1,732**	1,395
Equity-settled share-based payment expense	**15,068**	11,137
Total compensation paid to key management personnel	**37,056**	33,840

18 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, pledged deposits, trade receivables, trade payables, financial assets included in prepayments and other receivables, financial liabilities included in other payables and accruals and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

18 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Below is a summary of significant inputs to the valuation of financial instruments together with an analysis as at June 30, 2023 and 2022.

Financial assets/ financial liabilities	Fair value hierarchy	Valuation technique	Significant input	Relationship of inputs to fair value
Wealth management products	Level 2	Net asset value	Based on the net asset value of the investment portfolio	The higher net asset value, the higher the fair value
Unlisted fund investment, at fair value	Level 3	Recent transaction price	N/A*	N/A*
Unlisted equity investment, at fair value	Level 3	Back-solve model and hybrid method	Enterprise value	The higher enterprise value, the higher the fair value
			Time to liquidation	The shorter time to liquidation, the higher the fair value
			Risk-free interest rate	The lower risk-free interest rate, the higher the fair value
			Volatility	The lower volatility, the higher the fair value

* The investment was acquired by the Group in December 2021. The management of the Group considered that since there was no significant change since the acquisition, the most recent transaction price is used as the best estimate of the fair value.

18 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

As at June 30, 2023 (unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Financial assets				
Wealth management products	–	104	–	104
Unlisted equity investment, at fair value	–	–	4,195	4,195
Unlisted fund investment, at fair value	–	–	2,574	2,574
	–	104	6,769	6,873

As at December 31, 2022 (audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	Total RMB'000 (Audited)
Financial assets				
Wealth management products	–	103	–	103
Unlisted equity investment, at fair value	–	–	4,195	4,195
Unlisted fund investment, at fair value	–	–	2,574	2,574
	–	103	6,769	6,872

19 APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on August 25, 2023.